

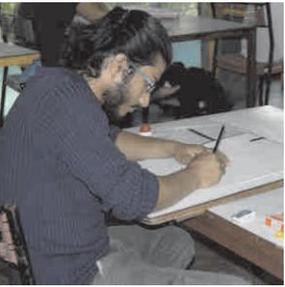
GOVERNMENT OF INDIA

Guidelines
For the Implementation of
Up-scaled Design Clinic Scheme
for Design Expertise to MSME manufacturing sector
Under
National Manufacturing Competitiveness Programme

(Up-scaled: Revised w.e.f. March 2016)

A Component of
**National Manufacturing
Competitiveness Programme**

Development Commissioner
Micro, Small and Medium Enterprises
Government of India
Nirman Bhavan, New Delhi-110 108





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MSME

Micro, Small and Medium Enterprises

सूक्ष्म, लघु एवं मध्यम उद्यम

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Abbreviations

PAP	-	Project Assessment Panel
DC (MSME)	-	Development Commissioner (MSME), Ministry of MSME
DPR	-	Detailed Project Report
GoI	-	Government of India
IPR	-	Intellectual Property Rights
NID	-	National Institute of Design, Ahmedabad
NMCP	-	National Manufacturing Competitiveness Programme
MSME	-	Micro, Small & Medium Enterprises
MSME-DO	-	MSME Development Organization, under DC (MSME)
MSME-DI	-	MSME Development Institutes, under DC (MSME)
PMAC	-	Project Monitoring and Advisory Committee
GFR	-	General Financial Rules
IFW	-	Integrated Finance Wing
C&AG	-	Comptroller and Auditor General of India
PIC	-	Project Implementation Committee
GITA	-	Global Innovation and Technology Alliance
TIFAC	-	Technology Information, Forecasting and Assessment Council
GFR 19-A	-	General Financial Rules- Form of Utilization Certificate
IISc	-	Indian Institute of Science, Bangalore
CSIR	-	Council of Scientific & Industrial Research

1.0 Introduction

- 1.1. The office of Development Commissioner (MSME), Ministry of Micro, Small & Medium Enterprises, Government of India has decided to continue for implementation of the Design Clinic Scheme, for design expertise to Micro, Small and Medium Enterprises (MSME) manufacturing sector during the 12th Plan Period.
- 1.2. The objective of Design Clinic scheme is to enhance industry understanding and application of design and innovation, and to promote design as a value adding activity and integrate it into mainstream business and industrial processes of MSMEs. The goal is to help MSME manufacturing industries move up the value chain by switching the production mode from original equipment manufacturing to original design manufacturing and hence original brand manufacturing.
- 1.3. The scheme was initially notified on 15th February, 2010 in 11th Five Year Plan for implementation of Design Clinic Scheme. The scheme has been up-scaled considering the recommendations of the evaluation report conducted by National Institute for Entrepreneurship and Small Business Development (NIESBUD). The evaluation report on implementation of Design Clinic Scheme has recommended for continuation of the scheme during 12th Plan period.
- 1.4. The general approach is to bring Indian manufacturing sector and design expertise on to a common platform and to provide expert advice and cost effective solutions on real time design problems, resulting in new product development or continuous improvement and value addition for existing products. The total scheme budget will be Rs. 149.00 crore, out of which Rs. 110.64 crore will be GoI assistance and the balance amount will be contributed by the beneficiary MSMEs.
- 1.5. Design Clinics scheme will be implemented through National Institute of Design (NID), Ahmedabad who will act as Principle Implementing Agency responsible for delivering the scheme. The other implementing agencies like Indian Institute of Science (IISc) & Council of Scientific and Industrial Research (CSIR) may coordinate to have a wider outreach of the scheme.

2.0 Overview

- 2.1. Indian MSMEs produce a diverse range of products from very simple to technically complex products. MSMEs are extremely vulnerable to changes in the environment be it business environment or political or social. With the rate of change happening in the business environment and technological environment it is becoming very critical for the Indian MSMEs to maintain their congruency with current times. This is the change from traditional methodology to an innovative product development process and to remain in the business with competitive advantage.
- 2.2. Indian MSMEs are facing a tough competition from their global counterparts due to liberalization, change in manufacturing strategies and turbulent and uncertain market scenario. Growth and survival are both critical. There are many barriers to growth faced by MSMEs. Some of the barriers are related to Marketing, Finance, Government policy, Power / Infrastructure and Technology. Out of these various barriers the most critical is market related barrier. Challenge posed by liberalization and globalization is tough and it requires a solution that can equip MSMEs with tools to take on this challenge effectively and come out as winners.

- 2.3. The Design Clinic scheme will help MSMEs to avail independent advice on all aspects of design. It helps MSMEs realize and achieve their design-related objectives. Practical support is provided to MSMEs via one-to-one advice, seminars, and workshops. This specialist advice is provided by experienced designers for new product development as well as enhancing existing product portfolio.
- 2.4. Design is recognized as an innovative discipline that can help MSMEs to survive and evolve into an increasingly complicated market, where new competitors arrive constantly and where clients and users are every day more aware of their needs and want to satisfy them faster and better. Despite this fact, MSMEs have used design sparingly.
- 2.5. Design is a structured creative process. Design is readily associated with industrial product design for manufactured products — specifically the ‘look’ of a product. However, the application of design is much broader, for example designing for function; for aesthetic appeal; for ease of manufacture; for sustainability; and designing for reliability or quality and business processes themselves.
- 2.6. The purpose of design is doing things better, improving a situation, making a positive difference. The role of design in business is creating value. A company can use the design process to add value to products, services, and to the organization itself. A well-designed product or organization is more valuable than a product or organization that is not well-designed.
- 2.7. Design, innovation and growth are linked. Innovation and design aren’t simply about new products or technology. They’re also about how to improve products in everyday use, leading to reduced costs, increased usability and new business opportunities.
- 2.8. The wider application of design by the MSMEs is expected to increase the value and competitiveness of their products and services.

3.0 Coverage and Eligibility

Assistance under the scheme will be available for the benefits of micro, small and medium enterprises in the manufacturing segments as per the definition of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

4.0. The Scheme

- 4.1. Design Clinic will be guided by the following key principles:
 - Rigorous, yet applicant friendly, process;
 - Promotion and dissemination of design concepts in regional/local languages understood by the MSMEs;
 - Establishing benefits without overwhelming the MSMEs;
 - Learning from other successful design support programs;
 - Establishing systematic processes for design and product development in MSMEs.
- 4.2. The purpose of the scheme is two-fold:
 - increase the awareness of the value of design and establish design learning in the micro, small and medium sized industries, and
 - increase the competitiveness of local products through design.

- 4.3. It is a scheme to promote use of design by MSMEs for developing products which are market led and to create a sustainable design eco system in the MSME units through continuous learning and skill development
- 4.4. The focus of the scheme is on building the design capability of MSMEs to enable them to improve business performance and to compete in the global market.
- 4.5. The scheme is divided in two major parts, viz., Design Awareness Programme and Design Clinic Projects.

4.5.1. Design Awareness Programme:

The objective is to create general awareness and sensitization about the value and power of design for businesses through seminars, talks, workshops and other engagement methods.

It will be a combination of Design need Assessment Survey and workshop / seminar for the participant members of the cluster selected. This would be divided into activities like seminar, workshop and diagnostic study.

4.5.2 Design Clinic Projects:

The Design Need Assessment Survey will form the basis for further dialogue between professional consultants and individual units (or group of units) in the cluster for the preparation of project proposals for funding. The funding assistance will be provided to the MSMEs for engagement of design consultants and professionals and other admissible items under the project as per the guidelines.

Most of the design education in the country being project based education, a portion of funding is earmarked to sponsor / support the student design projects. Each of these projects would result into detailed document including final design specifications and a model / prototype.

5. Design Awareness Programmes – Seminars, Workshops and Orientation Programme

- 5.1. The purpose of these activities is to sensitize MSMEs about the usage of design/innovation in various facets of their industry.
- 5.2. A seminar will cover the design related topics in a broad way, with the intent to communicate the importance of design, its usefulness and its role in delivering business value. It would be delivered in lecture-style by one or more experts deliberating on a topic. The seminar will be followed by a Question and Answer session. A typical seminar would be of one day duration. Seminars will be conducted for general awareness within the cluster to wide spread the schemes, its benefit, government initiatives etc.
- 5.3. A workshop connotes a more focused study on design, with a well-defined —takeawayll for the MSMEs. The total time allocated for each workshop is 3 - 5 days. This will begin with the experts visiting the cluster units and understanding the issues concerning the cluster. Thereafter, there will be training on design clinic solutions delivered by an expert or a group of experts in an interactive manner.

- 5.4 This will be followed by preparation of a Design Need Assessment Survey Report by the designated expert. The Design Need Assessment Survey report will review the present state of the cluster, will identify areas of improvement and within that will identify specific areas which could be served by design intervention. The report will present how the design solution(s) will finally convert to a business solution and will specify a preferred sequence of actions for the same. The report will also contain the details of workshop proceedings.
- 5.5 The orientation programme will be organized for the stakeholders of Design Clinic Scheme i.e. professionals, student designers, MSMEs, MSME Associations, MSME-DIs, apex bodies and other beneficiaries of the scheme across India. The duration of the orientation programme will be one day.
- 5.6 The seminars, workshops and orientation programme will be organized by Principal / other implementing agencies / MSME-DO with a prior approval from PMAC. On receiving the approval from PMAC the Principal/other implementing agencies shall conduct the workshop or seminar on a designated date and place and shall submit a detailed report including programme schedule, numbers of participants, Attendance Sheet duly signed by the participants, photographs, faculty details, details of lecture, details of expenditure including private contribution of the MSMEs in each event, wherever applicable. In addition, Implementing agencies shall submit Audited Statement of Expenditure (including Private Contribution collected from MSMEs reflected separately) and Utilization Certificate (UC) of the each event.
- 5.7 The applicant organization must demonstrate the expertise to deliver such a seminar or workshop and should support its application with similar previous experience.
- 5.8 In case, the seminars, workshops and orientation programmes are conducted by implementing agency, then MSME-DO of the Ministry of MSME will also be involved in organizing these workshops, seminars and orientation programme. MSME-DO primary role will be to facilitate identifying clusters, advocacy with units in the cluster and motivating them to attend these workshops and seminars.
- 5.9 To organize seminars the Gol contribution, not exceeding Rs. 60, 000 (Rs. Sixty Thousand Only) will be admissible for the conduct of each seminar.
- 5.10 The Gol contribution for the conduct of a workshop (including preparation of the Design Need Assessment Survey Report) will be to the extent of 75 percent of the cost incurred, the admissible cost being restricted to Rs. 5,00,000/- (Rs. Five Lakh Only), (i.e. maximum assistance being restricted to Rs. 3,75,000/- only). The remaining amount of Rs. 1,25,000/- will be contributed by the participating MSMEs/implementing agency and the same should be mentioned in the detailed report.
- 5.11 The funding provided for the conduct of these workshops and seminars will cover all organizational, incidental and out of pocket expenses required for conduct of these events. The Gol assistance will be released in 2 installments to the implementing Agency / institution. Initially, 50% of the sanctioned amount from Gol will be released after approval of the proposal. The balance Gol contribution of 50% amount will be released after receiving the full contribution from the private MSMEs and based on the receipt of the Audited- statement of expenditure; final detailed report etc. from the organization who conducted the workshop/Seminar.

- 5.12 NID / Implementing agency will prepare a standard template for the seminars and workshops with clear identification of deliverables.
- 5.13 In addition to workshops and seminars being organized for the MSMEs, about 75 nos. orientation programmes for stakeholders of Design Clinic Scheme i.e. professionals, student designers, MSMEs, MSME Associations, MSME-DIs, apex bodies and other beneficiaries of the scheme across India of Design Clinic Scheme will be organized. The duration of the orientation workshop will be of one day. The purpose of the orientation programme is to sensitize and orient the design consultants, MSME units and all possible stakeholders for better understanding of design clinic scheme and its issues related to MSMEs. NID will make necessary arrangements to organize these workshops with the assistance of experts and professionals. A provision has been made for organizing the orientation programme with a GoI contribution of Rs. 2.00 lakh for each programme.

6. Mobilization and co-ordination workshop for MSME – DO officials

- 6.1 For organizing 5 workshops for MSME-DO officials to get them acquainted with new design development and to prepare strategy for wide dissemination of the scheme for the larger benefit of MSMEs. This will help in bridging the gap between the nodal agencies and MSME- DO officials. The officials dealing with the scheme will be selected irrespective of the hierarchy. The workshop duration will be 3-5 days. Co-ordinating organization shall conduct the Workshop in Design Clinic on a designated date and place and shall submit a detailed report including programme scheduled, no. of participants, attendance sheet duly signed by the participants, photographs, faculty details, covering lectures & topics in each event.
- 6.2 GoI contribution, not exceeding Rs. 10.00 Lakh (Rs. Ten Lakh Only) will be admissible for the conduct of each workshop.

7. National Level Workshop on Design Clinic

This workshop will be conducted for selected cluster representatives, professional design practitioners, academia, MSME- DO officials in the field, etc., for evaluating the need of design intervention in the cluster and making recommendation for framing policy guidelines and identify catalyst amongst stakeholders particular to design aspects of the field of cluster. GoI contribution for organizing 2 nos. of National Level Workshops on Design Clinic will be Rs. 10.00 lakh (Rs. Ten Lakh only) each. The workshop duration will be 2-3 days. Co-ordinating organization shall conduct the National Level Workshop in Design Clinic on a designated date and place and shall submit a detailed report including programme scheduled, no. of participants, attendance sheet duly signed by the participants, photographs, faculty details, covering lectures & topics in each event.

8. Study / exposure of Global Best Practices and Design Clinic Programme of Other Countries

The purpose of the visit is to provide the international exposure to the stakeholders to study the best design practices amongst MSMEs abroad and implementation thereafter. The visit includes members from MSMEs beneficiaries, Principal/ implementing agencies and officials of O/o DC (MSME). A provision has been made for organizing 6 nos. of study of global best practices and Design Clinic Programme of other Countries with GoI contribution of Rs. 50.00 lakh (Rs. Fifty Lakh Only) each. A delegation of minimum 20 participants from MSMEs units, one member from co-

ordinating agency and two officers from O/o DC(MSME), Ministry of MSME for each visit. The payment towards air Fare, Daily Allowance, Hotel Charges, Local Transport, fee for common interpreter and secretarial services including Phone / Fax / internet etc. to the deputed officers of O/o DC(MSME), Ministry of MSME will be eligible as per entitlement. Co-ordinating organization after the international exposure shall submit a detailed report including programme scheduled, details of the participants, photographs, details of visited industries, product features & Designs, other benefits etc. Suggestions / feedback should also be included for implementation their techniques/designs/technology of products in particular industry sector in our country.

9. Promotional activities, Website, Publicity, Miscellaneous Expenses, etc.

Provision for wider dissemination of information regarding the scheme, current status, etc. will be made available to the MSMEs through various medias and agencies. The sanction under this activity will be made on a specific request from the implementing agency by PMAC. Govt contribution, not exceeding Rs. 100.00 Lakh (Rs. Hundred Lakh Only) will be admissible. PMAC members / officials from O/o DC (MSME), Ministry of MSME shall be paid TA/DA for attending the meeting as per the entitlement.

10. Design Clinic Project Funding

10.1. Objectives

- To assist local enterprises with engaging external design expertise in the form of consultancy
- Projects supported should lead to new design strategies, and/or design-related products, and
- Projects supported must be impactful and effectively develop the capabilities of the local enterprise

10.2. Applicability

The applicability of project funding is to an individual MSME or a group of MSMEs. In other words, the scheme permits a group of MSMEs based in an industrial clusters to come together and seek a project funding for design improvement consultancy. For the sake of convenience, hereinafter in these guidelines, the term MSMEs shall include group of MSMEs also.

The company must be an MSME, a micro, small or medium enterprise as per the definition prescribed in MSMED Act 2006 or as amended later. The Designer that a company employs in this programme must be selected from pool of qualified industrial designers authorized for this programme.

10.3. Financial Assistance

The Design Clinic Scheme shall provide financial assistance to support design work undertaken by individual MSMEs, group of MSMEs and student projects.

10.4 The beneficiary unit(s) must typically be micro, small or medium enterprises as per the definition in MSMED Act 2006. It must be new to using design and preferably should not have used internal or external design expertise before. The designer that

a unit employs in this scheme should be selected from a pool of qualified Industrial designers empanelled for this scheme. Implementing agencies should verify all the relevant documents as per rules. A copy of EM-II shall also be enclosed with proposed Design projects before submitting to the PMAC.

10.5. Need Analysis

MSME level need analysis will have to be conducted either as a follow-up of the cluster level workshop or as a stand-alone one-to-one exercise by expert and MSMEs. The MSMEs desirous of design intervention could get the Design Need Analysis conducted from a designer/design company/ academic institution approved by Design Clinic Centre. In case they cannot locate a designer/design company/ academic institution, they can contact the Design Clinic Centre for help. Design Clinic Centre on receiving the intent shall suggest designer/ design companies/ academic institutions from which the MSME can choose from and consequently also notify suggested companies/institutions. A template for design need analysis will be prepared by Principal / other Implementing Agencies. The experts shall submit the detailed report using the given template.

10.6. Consulting

Consulting develops detailed solutions, and helps the units to do and to learn by doing. The most important part of the consulting aspect is to convert design solution into a business solution. No design activity is complete without good business understanding or inputs relating design to business. In specific cases an independent business evaluation could be commissioned to act as input for design consultant. Help from business consultant, management students could be incorporated at this juncture.

10.7. Project Proposal

Based on the need analysis and consulting outcome a detailed project proposal shall have to be prepared. This proposal shall include all aspects of the proposed project and the financial details. The proposal shall be submitted in the prescribed format for approval by the assessment panel of the design clinic Centre.

10.8. Design project Funding for professionals

- All applications for funding support for design projects under the Scheme must be in collaboration between a MSME requiring assistance in design and a designer / design company / academic institution which will provide that assistance.

For micro projects (upto 3 units)

- The funding support will be given by way of a grant upto a maximum of 75% of the total approved project cost or Rs. 15.00 Lakh, whichever is less, in case of a individual micro units or a group of not more than three micro unit projects.

For micro projects (more than 3 units)

- The funding support will be given by way of a grant upto a maximum of 75% of the total approved project cost or Rs. 25 Lakh, whichever is less, in case of a group of four or more micro unit projects.

For SME projects (upto 3 units)

- The funding support will be given by way of a grant upto a maximum of 60% of the total approved project cost or Rs. 25.00 Lakh, whichever is less, in case of a individual SME units or a group of not more than three SME unit projects.

For SME projects (more than 3 units)

- The funding support will be given by way of a grant upto a maximum of 60% of the total approved project cost or Rs. 40 Lakh, whichever is less, in case of a group of four or more SME unit projects.

For Micro / SME contribution (upto 3 units / more than 3 units)

- The applicant micro unit (s) in the project is required to contribute at least 25% of the approved project cost such as in the form of cheque /draft and /or RTGS/ NEFT as a matching fund. This should be separately indicated in the audited statement of expenditure.
- The applicant SME (s) in the project is required to contribute at least 40% of the approved project cost such as in the form of cheque / draft and/or RTGS/NEFT as a matching fund. This should be separately indicated in the audited statement of expenditure.
- The matching fund for the project contributed by the applicant MSMEs should be traceable and verifiable, such as in the form of cheque /draft and /or RTGS/ NEFT.
- The funding grant will be reimbursed in 4 stages in 4 equal amounts. It shall be done in the following manner:
 - Stage 1 – Strategy - 25%
 - Stage 2 – Concept - 25%
 - Stage 3 – Detail Design - 25%
 - Stage 4–Successful Implementation and completion report - 25%

10.9. Design Project Funding for Student

Most of the design education in the country being project based education, a portion of funding is earmarked to sponsor / support the student design projects. Each of these projects would result into detailed document including final design specifications and a model / prototype.

- The Design Clinic Scheme shall support design work by reimbursing 75% of expenses incurred subject to Rs. 1.5 lakh for final year student project done for MSMEs under the supervision of parent Design Institutions. MSME units contribution shall be 25% of the admissible cost.
- This admissible cost (estimated to be Rs. 2 lakh) would include student designer's stipend (wherever applicable), conveyance related to the project, documentation and model making costs.

- Students in the final year undergoing full-time under graduate or post graduate program from institutions recognized by design clinic centre are eligible to apply for this funding.
- The funding shall only be available for final year dissertation projects, for undergraduate/post graduate or diploma course. Implementing agencies should verify the qualification details and certify while submitting the proposals.
- The student will have to apply in a specified format through his / her academic institution and with the consent of MSME where he / she will be doing the project.
- The project work must culminate in to a report approved by the parent academic institution of the student and the MSME for whom the project work is done.
- The deliverables for the student project will be specified clearly by the Design Clinic centre.
- The funding grant will only be reimbursed to the students through institute.
- The funding grant will be reimbursed in 3 stages, in the following manner:
 - Stage 1 – Application approval - 25%
 - Stage 2 – Mid Stage (about 50% period completion) - 25%
 - Stage 3 – Final Report Submission - 50%

10.10. Project Duration

- Project duration will be less than one year.

10.11. Eligible Applicant

- The local Industrial designer/ Design Company / academic institution and the local MSME in collaboration are eligible to apply for funding support as co-applicants. An MSME with the consent of the Design company or academic institution, may submit an application as the principal applicant, subject to the following conditions:
 - The Industrial designer/ design company / academic institution and the applicant MSME have to be bodies or companies established or incorporated in India under the Indian Laws with on-going business;
 - The applicant Industrial designer/design company/academic institution will be responsible for carrying out the design project;
 - The applicant design, design company/academic institution and the applicant MSME in a project application must not be an associate or associated person or agent or employee of the other of them before submission of the application
 - The project team members representing the Industrial designer/ Design Company / academic institution must not be directors / shareholders / management team members of the applicant MSME.

- Following are the criteria for qualifying the applicant MSME under Design Clinic:
 - The MSME should be a profitable entity in the last 3 years of its operations
 - The MSME must demonstrate either an export performance or potential to export
 - PMAC can stipulate/relax criteria for this purpose
- Following are the criteria for qualifying the co-applicant Industrial Designer/Design company under Design Clinic
 - The Industrial Designer or the Design company or acclaimed institute in National / International level should have demonstrated expertise and qualification in the problem area that it seeks to solve for the applicant MSME
 - It shall be the responsibility of the Industrial designer/design company to complete the project on time and as per agreed scope.
- If the application is approved, the applicant design company / academic institution will become the recipient of the grant, and both the applicant design company/academic institution and the applicant MSME have to sign an agreement with the Design Clinic Centre to ensure that both parties are fully aware of the terms and conditions under which the grant will be offered.
- The grant agreement will be signed between the Principal / Implementing agency and the applicants. Principal / other Implementing agencies will prepare an appropriate legal document (duly incorporating GFR provisions) for this purpose.
- The grant agreement shall contain (a) the terms as set out in the approval letter from the Principal / other Implementing agencies (b) the terms and conditions; and (c) the project proposal in the devised format attached to the approval letter from the implementing agency.
- For administration purpose, the MSME will be called the –principal applicantll and the Industrial Designer/Design Company / academic institution will be called –co-applicantll.

10.12. Project Budget

- The principal applicant is required to submit a budget proposed for the project, showing all expenditure and the relevant documents, such as quotation, project brief, or contract.
- When preparing the project budget, the principal applicant is required to provide a brief description of the work steps involved, and the cost breakdown for such steps. Other information such as duration of time and manpower required (e.g. in man-days) will also be helpful. Unspecified cost items such as miscellaneous, sundry and contingency etc. will not be accepted.
- A list of unallowable cost items which cannot be charged to the project account is set out in another point below.
- Both the applicant design company/academic institution and the applicant MSME are required to declare in the application whether any or both of them have sought or are seeking funding support for the project from other public funding sources. Double subvention will not be allowed.

10.13. Plan for the Project Outcome

- The principal applicant is required to provide in the application a brief plan on how it will commercialise the project deliverables and preserve IPRs subsisting in the project deliverables and other project materials when discharging the project.

10.14. Project Coordinator

- In each application, the principal applicant should nominate a project coordinator.
- If the application is approved, the project coordinator is responsible for overseeing the project generally; monitoring its expenditure and ensuring the proper usage of project funds in accordance with the approved project budget, this Guide and other instructions set for the project and answering enquiries.

10.15. Timing for Application

- The Design Clinic Scheme is open for applications throughout the year, unless notified otherwise.

10.16. Application Procedures

- Applications for the scheme can be made in multiple ways
- Multiple Professional Design Projects may be allowed for MSMEs subject to fixing a cap by evolving some mechanism.
- Application can be made by the MSME with request for grant without a design company. In such cases Design Clinic Centre will suggest the possible design consultants to the MSME from which to choose from.
- Application can be made by the MSME along with a Design Consultancy which satisfies the criteria given in here.
- Application can be made by the MSME along with an academic institution which satisfies the criteria given in here.
- Applications may be submitted to the Design Clinic Centre by way of electronic submission via the internet at the website.
- Each application can only cover one project.
- Applications not fulfilling required condition will not be considered.
- The applicants will be informed of the assessment result within 3 months after receipt of full information.
- It is recommended that the applicants should plan ahead when submitting their applications and make sure that all requisite documents are submitted.
- No application fee will be charged.

10.17 Approval of Applications

- Approval of applications depends on their individual merits, and the funding limit set out above.
- The PMAC reserves the right to reject an application on grounds including:
 - a petition is presented or a proceeding is commenced or an order is made or a resolution is passed for the winding up or bankruptcy of the principal applicant or the co-applicant; or
 - a false inaccurate or incomplete statement or representation is contained in the application or a promise or a proposal is made knowingly or recklessly that it will not be able to fulfil or deliver such promise or proposal; or
 - in the event of a claim alleging or the Government having grounds to believe that any thing(s) or material(s) to be designed or conceived or produced as part of the project deliverables infringe or will infringe any IPRs of any third party; or
 - the principal applicant or the co-applicant is in default of its obligation(s) under other grant agreement with the Government whether or not in relation to the Design Clinic Scheme.

10.18 Resubmission

- A declined application may be resubmitted only if it has been revised substantially or if it has been able to produce additional information to address the comments made by the Assessment Panel in its earlier review. The differences of the resubmitted application should be set out clearly vis-à-vis the previous one.
- Any revised application will be treated as a new application.

10.19. Vetting Procedures

- Upon receipt of an application, the Design Clinic Centre will conduct a preliminary screening and may seek clarification or supplementary information from both the applicant design company/academic institution and applicant MSME.
- After screening, the Design Clinic Centre will submit the application together with its comments to a Project Assessment Panel (PAP) for consideration. Project proposal should be discussed and reviewed in Project Assessment Panel before presenting it to the PMAC.
- The Project Assessment Panel (PAP) would comprise officials, professionals, industrialists, businessmen, designers, academics or other expert individuals. Its functions are to assess applications, make recommendations, and monitor approved applications. PMAC can include / exclude the members of the Assessment panel.
- The applicant design company/academic institution and applicant MSME and its project team members may be required to attend assessment meetings to present their applications and answer questions.

10.20 Assessment Criteria

- In considering an application, due consideration will be given to the following factors, wherever applicable:
 - to what extent the project can help integrate design into business process;
 - to what extent the project can help transform design activity into tradable deliverables that manifests exploitation and deployment in the form of intellectual property, which may comprise patent, copyright, know-how or industrial design;
 - to what extent the project can add value to the products concerned and increase their competitiveness;
 - to what extent the project can help commercialisation of new products and finding pathways to market;
 - Whether the applicant design company/ academic institution or the applicant MSME has been funded by the Design Clinic before and the amount of funding already granted for such previous projects.
 - the overall planning and organisational structure of the project and capability of the project team i.e. the project team members' expertise, experience, qualifications, track record, and the resources available for the project;
 - whether the proposed budget is reasonable and realistic, and whether the project has been funded or should be funded by other sources;
 - how the design consultant will maintain relationship with MSME after the completion of the project; and
 - any other relevant factors.
- The overall assessment criteria would be based on the measurable positive difference that a design intervention will bring to the MSME, either in absolute revenues (indicating higher profits) or in percentage terms.
- The Project Assessment Panel will submit its report to PMAC through Principal / other Implementing Agencies giving recommendations on the approval or otherwise for the project. PMAC's decision will be communicated to the applicant (s) by Principal / other Implementing Agencies.

10.21. Notification of Results

- The applicants will be informed of the assessment result within 60 clear working days after receipt of full information.
- If an application is recommended for grant, both the principal applicant and co-applicant concerned will be informed of the result together with any terms and conditions that may be imposed by the Assessment Panel in addition to the standard terms and conditions. They may need to revise their application accordingly before the application is approved.

- If an application is declined, reasons will be provided.

10.22. Withdrawal of Application

- The principal applicant and co-applicant can write to the Design Clinic centre to withdraw an application at any time before signing the grant agreement.

10.23. Grant Agreement

- For each successful application, the co-applicant Industrial designer/design company/academic institution will be the recipient of the approved grant but both the design company/academic institution and the applicant MSME have to enter into a grant agreement with the Principal / other Implementing Agency. The grant agreement will be signed between the Principal / other Implementing Agencies and the applicants. Principal / other Implementing Agencies will prepare an appropriate legal document (duly incorporating GFR provisions) for this purpose. The grant agreement shall contain (a) the terms as set out in the approval letter from the Principal / other Implementing Agencies; (b) the terms and conditions; and (c) the project proposal in the format attached to the approval letter from the Principal / other Implementing Agencies.
- As part of the documents required to support an application, the principal applicant for the project has to submit the contract entered into between the applicant Industrial designer/design company/academic institution and the applicant MSME certifying that the latter has engaged the former to carry out the project (–project contract). The project contract should contain the terms and conditions of the engagement.

10.24. Disbursement of Approved Grant

- Disbursement of the approved grant will be made at each stage as mentioned at para 9.8 and 9.9 depending upon:
 - the submission of the periodic assessment report and Utilization Certificate (UC),
 - evidence showing that the applicant MSME has duly paid up the matching fund as required,
 - successful attainment of the stage as per the completion date specified or such other date that the Principal/ other Implementing agencies may approve in writing,
 - final completion report and the final audited statement of Expenditure in form and substance to the satisfaction of Principal/ other Implementing agencies and complying with the requirements set out before, within 2 months after the project completion date specified in the project proposal or by such other date as the Principal/ other Implementing agencies Centre may approve in writing, and
 - due compliance with the grant agreement and the project contract by both the applicant Industrial designer/design company/academic institution and the applicant MSME.

10.25. Publicity and Acknowledgement

- The principal applicant shall provide the Principal/ other Implementing agencies with details of the project achievements, if any, including creation of intellectual property in which IPRs subsist, successful marketing and commercialisation of the project deliverables and awards. The Principal/ other Implementing agencies may from time to time disclose to the public details of such project achievements including announcing them on the web or publications or showcasing at exhibitions for publicity and reference.
- The applicants shall acknowledge the funding support under the Scheme in publicity / media events as well as in publications issued to promote the project. However, the Principal/ other Implementing agencies reserves the right to require the principal applicant and / or the co-applicant to immediately cease and desist from using any promotional materials in which any reference to the Principal / other Implementing agencies / Government or Design Clinic Scheme is found.

10.26. Reporting Requirements

- The principal applicant will be required to submit 3 interim reports during the project including the details of performance of the project in a specified format. Specific dates of interim report submission shall be identified by the applicant in the funding application, and accepted by Principal/ other Implementing agencies.
- The principal applicant will be required to submit a completion report including details of the results, performance and evaluation of the project.
- The interim report and completion report should be submitted together with:
 - A financial statement on accrual basis on the financial position of the project audited by an auditor as arranged by the applicant designer/design company/academic institution being the fund recipient. The financial Statement of Expenditure shall be submitted in accordance with the Notes for Auditors of Recipient Organisations issued by Design Clinic centre. Such financial Statement of Expenditure shall contain an audited statement of the total expenditure and incomes of the project. A standard format will be provided and prescribed by the Design Clinic centre; and
 - Evidence showing the contribution of the matching fund by the applicant MSME in cash (in the form of cheque and bank pay-in slip or other documentary evidence acceptable to the Principal / other Implementing agencies) as per norms.
- The completion report and the final financial statement of expenditure and payment evidence set out above shall be submitted within two months from the project completion date specified in the project proposal or by such other date as may be approved by the Design Clinic Centre.
- The applicant industrial designer/design company/academic institution and the applicant MSME are required to make presentation(s) of the outcome of their project to the Assessment Panel and to report the commercialisation status of the project deliverables.

- The applicant industrial designer/design company/academic institution as the fund recipient shall keep all financial statements, books, and records of the project and receipts evidencing expenditure for the project for at least two years after completion of the project, or as otherwise specified by the Design Clinic centre within that two-year period, and allow for inspection at any time.
- Auditors appointed by Design Clinic centre may conduct an examination into the effectiveness with which the fund recipient has used the project funds. The auditors shall have a right of access at all reasonable times to all such documents or information in the custody and control of the recipient as he/she may reasonably require for conducting an examination holding or being accountable for any such document or information, such information and explanation as he/she considers reasonably necessary for that purpose. The auditor will report to the Design Clinic Centre and the Government the results of an examination conducted by him/her.
- Both applicants in the project will be required to complete and return a post-project evaluation questionnaire for their project to report on the achievements of the project in terms of bringing commercial opportunities for the applicant MSME, enhancing its competitiveness and adding value to its products and services.

10.27. Procurement Procedures

- The fund recipient shall ensure that all procurements for goods and services for the project will be carried out in an unbiased and fair manner. All quotations shall be kept for the Design Clinic Centre's inspection, if necessary.

10.28. Project Variation

- An approved project is required to be carried out strictly in accordance with its proposal appended to the grant agreement and the project contract. Any modification, amendment or addition to the project proposal or the project contract, including change of the project commencement or completion dates, key project staff, scope, methodology and budget, will require prior specific written approval by Design Clinic centre. Failure to comply with the project proposal and the project contract will entitle the Principal/ other Implementing agencies to abstain from releasing the grant money to the applicant design company/academic institution regardless of whether it or the MSME applicant or both are at fault.

11.0 Scheme Implementation

11.1. Allowable Costs

The allowable cost for design work will generally applicable to the following items

- Need Analysis/ Research – Internal / external agency/ travel & stay / data recording resources/ manpower / recruiting respondents
 - Product
 - Market
 - User
 - Trend

- Workshops/Seminars – travel & stay / data recording resources/ team / skills / refreshments / infrastructure / time / process integration
 - Generate new product ideas
 - Tap new markets
- Concepts and iterations – Stationary / team / skills / infrastructure / time / software & hardware
 - Sketching
 - Renderings
- Soft mockups – Time / infrastructure / skills / team / materials
 - Quick mockups for concept refinements
- Engineering – Time / Software & hardware / skills / team
 - Data generation for prototyping and manufacturing
- Prototyping – Vendor / engineering support / team / skills / time / printing / transportation / materials
 - Simulate functioning of the actual product

11.2. Unallowable Costs

- In general, grant to be made available by the Government through Design Clinic shall only be expended by the applicant design company/academic institution in carrying out the project in accordance with the budget set out in the project proposal. The grant money shall not be used to cover:
 - general administration, office and overhead expenses not directly related to the project;
 - production cost other than for prototype for demonstration purpose only;
 - other incidental expenses, e.g. videoconferencing, local /overseas travelling, photocopying;
 - entertainment expenses and any prizes, either in form of cash or other types of souvenir;
 - costs related to prior/subsequent year(s) / period(s) adjustment(s); and
 - capital financing expenses, e.g. mortgage and interest on loans /overdrafts.
- The fund recipients should consult Design Clinic Centre if they have any doubts about whether grant money should be applied in discharge of a particular expenditure.

11.3. Apex Body

11.3.1. An apex body Project Monitoring and Advisory Committee (PMAC) will be formed with AS & DC (MSME) as Chairperson. In addition, experts will be drawn from areas including academia, VCs, financial institution, management, administration, concerned government departments, etc. The apex body will comprise of persons who are not likely to be the beneficiaries of this program. PMAC, in general, will have the following constitution:

- i. AS&DC (MSME), Chairman
- ii. Joint Secretary / Director, MSME, Member
- iii. Joint Secretary / Director, NMCC , Member
- iv. Joint Secretary / Director DIPP, Member
- v. Joint Secretary / Director, Deptt. of Heavy Industry
- vi. Director, NID, Member
- vii. Representative of I.F. Wing, Ministry of MSME, Member
- viii. Representatives from IITs, other Design Institutions / specialized institutions,
- ix. Members from designer fraternity,
- x. Representatives from Industry Association(s),
- xi. ADC / JDC in-charge of the Scheme, in office of DC(MSME), Member Secretary

11.3.2 At the highest level, PMAC will guide, review, monitor and provide overall direction for implementation of the scheme. 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 guideline for operational expediency. PMAC would deliberate on the issues put up by Principal/ other Implementing agencies. It would lay down the detailed implementation strategy for Principal/ other Implementing agencies. It would also consider the recommendations of Principal/ other Implementing agencies on each applications/activities.

The broad roles and responsibilities of PMAC will be:

- a) To review and approve the proposals of Principal/ Implementing agencies for the setting up of design centre and regional centres,
- b) To approve detailed procedure and strategy prepared by Principal/ other Implementing agencies for the implementation of various components of the scheme,
- c) To approve proposals submitted by Principal/ other Implementing agencies for conducting seminars and workshops,
- d) To review and approve panel of Industrial designers/ design consultants/ design institutions as per the recommendations of Principal/ other Implementing agencies,
- e) To constitute Assessment Panel (s),
- f) To review and sanction design projects for individual MSMEs/ group of MSMEs/students.

- g) To review and approve Principal/ other Implementing agencies proposals in respect of orientation workshop for designers/consultants, study of best practices, advertisement and publicity, etc under the scheme.
- h) Any other reputed organizations/institutions dealing in the field of research/design may be included after obtaining the approval of competent authority.
- i) To discuss and approve plan of action required for achieving the objective of the scheme.
- j) Inclusion /exclusion of any members for PMAC, Chairman will have full power.

11.4. Principal Implementing Agency

For effective, efficient and informed implementation of the scheme, National Institute of Design (NID), Ahmedabad has been designated as the Principal Implementing Agency of the scheme.

11.5. Role of National Institute of Design (NID), Ahmedabad

- NID will be the Principal Implementing Agency for the scheme and will function as a link between the MSMEs and the Government (office of the DC (MSME)). It would also act as a single point of contact for the office of the DC (MSME).
- NID will coordinate design clinic centre at Delhi, for the effective implementation of the design clinic scheme. The centre will function as the headquarters and an initiator of all activities under the scheme.
- The primary role of the NID would be to spread awareness and facilitate matchmaking between the Design Companies/ Consultants and MSMEs.
- NID will empanel designers /design companies / academic institutions and submit the same to Apex Body for approval.
- NID would receive the applications from the individual MSMEs and group of MSMEs and it would put it up for the consideration of the apex body along with its recommendations.
- NID will recommend nominations for assessment panel for consideration and approval of the apex body (Project Monitoring & Advisory Committee) under the chairmanship of AS & DC (MSME).
- NID will also organize orientation programme for design consultants, if decided by PMAC.
- Prototype Design / Manufactured product may not be sold in the market. It will be kept for showcasing/commercialization purpose only. To protect the Design, applicant may have registration for the said Design under the Design Act 2000.
- NID may utilize the resources of each other & co-ordinate amongst them for optimum utilization of resources.
- The functionaries working as part of Design centres & Regional centres for the implementation of the scheme shall be governed by the Government of India

Rules for the purpose of TA/DA/Boarding/lodging etc. The travels made by NID or other faculty related to this scheme will be approved & monitored by a Project Implementation Committee (PIC), PIC (to be set up under the Chairmanship of Director /NID) which will have a member from office of DC (MSME) also. The expenditure approved by PIC will then be ratified in the next PMAC meeting on regular basis.

- NID shall not divert any part of the grant to any activity other than for which it has been sanctioned.
- NID will prepare illustrative promotional material in English and in regional languages for the scheme.
- NID will setup an interactive website for the scheme
- NID will provide an intermediation platform. It will establish linkages with industry initiatives, government initiatives such as GITA, TIFAC, University Industry Council, etc.
- NID will handle ethical issues concerning with the design clinics. It will remain unbiased and develop excellent understanding of design and other industry issues.
- NID would submit bi-monthly reports to the apex body on overall progress of the scheme. It would also raise exception reports, if any, as regards to any non-responsive behavior or non-satisfactory performance of any of the beneficiaries and the designers.
- For facilitating the smooth and faster roll out of the scheme at National level the total amount of GoI grant envisaged under the scheme will be periodically transferred to NID on the recommendation of the PMAC after assessing the progress of the funds already released and requirement submitted by the NID.
- NID would be responsible for maintaining a separate ledger account of funds of the scheme. This account shall be opened for inspection by the C&AG of India, internal audit by PAO of Ministry of MSME or any officer appointed by the office of DC (MSME) for this purpose.
- NID would release the funds directly to the beneficiaries / Industrial designers against the reports on the basis of progress of implementation of the scheme and on the satisfactory performance of the respective Industrial Designers. It will also submit necessary utilization certificate (UC) in prescribed format (GFR – 19-A) along with audited statement of expenditure and detailed report to the office of DC (MSME).
- NID will function as a body in public domain and observe necessary economic measures as per the Government of India directives.
- NID will prepare a detailed annual report that clearly demonstrates value creation, and also lists down accurately the beneficiaries and the funds deployed for each project.

- NID will document all communications, results, reports, learnings properly for future use.
- An undertaking in the case of contribution of the matching fund against the grant-in-aid as applicable to the Enterprise is to be submitted, wherever applicable. In case if any indirect investment is required, the beneficiary enterprise would take care of it.
- An undertaking on notary stamp paper is to be given that similar benefits have not been availed from any other Government sponsored schemes.
- NID will also take up any other activity relevant to the scheme implementation as decided by PMAC.
- NID shall endeavour to achieve the quantified and qualitative targets as approved by the PMAC.
- If the implementing agencies/MSMEs could not utilize the fund of Grant-in-aid amount within the stipulated period, the same Grant-in-aid amount shall be refunded in the Government account as per Government Rules /Sanction order.

11.6 Role of other Implementing Agencies

The role and function of other Implementing Agency such as IISc, Bangalore and CSIR, New Delhi will be in the similar line of action as stated in para 11.5 above.

11.7 Design Clinic centre / Design Regional Centres

The design clinic centre will function for the effective implementation of the design clinic scheme. The centre will function as the headquarters and an initiator of all activities under the scheme.

- The regional centers may be operated by National Institute of Design (NID) through competent technical institutes / agencies depending upon operational requirement.
- The regional centers will work under the guidance of Design Clinic Centre and will be monitored by the Design Clinic Centre.
- The specific role of the regional centers will be as given below:
 - to create general awareness and sensitization about the importance of design
 - to conduct seminars for the MSMEs
 - to conduct specific training programs / workshops for the MSMEs
 - to facilitate and guide MSMEs / Design Companies / Academic institutions with the design clinic application process.
 - to conduct National level workshop on Design Clinic.
 - to conduct mobilization and coordination workshop for MSME officials.

11.8 Assessment Panel

- An assessment panel will be formed by the design clinic centre.
- The tenure of each assessment panel will be 1 year.
- From the second year onwards of Design Clinic the assessment panel shall also comprise of people from the earlier year beneficiaries.
- The Assessment Panel would comprise of designers and Industry experts.
- Its functions are to assess applications, make recommendations, and monitor approved applications.
- The assessment panel will have members / experts and they may be paid honorarium, etc. as per the Govt. directives as approved by PMAC.
- The Assessment Panel would comprise officials, professionals, industrialists, businessmen, designers, academics or other expert individuals. Its functions are to assess applications, make recommendations, and monitor approved applications. PMAC can include / exclude the members of the Assessment panel.

12.0 Approved activities and budget outlay:

(Rs. In lakh)

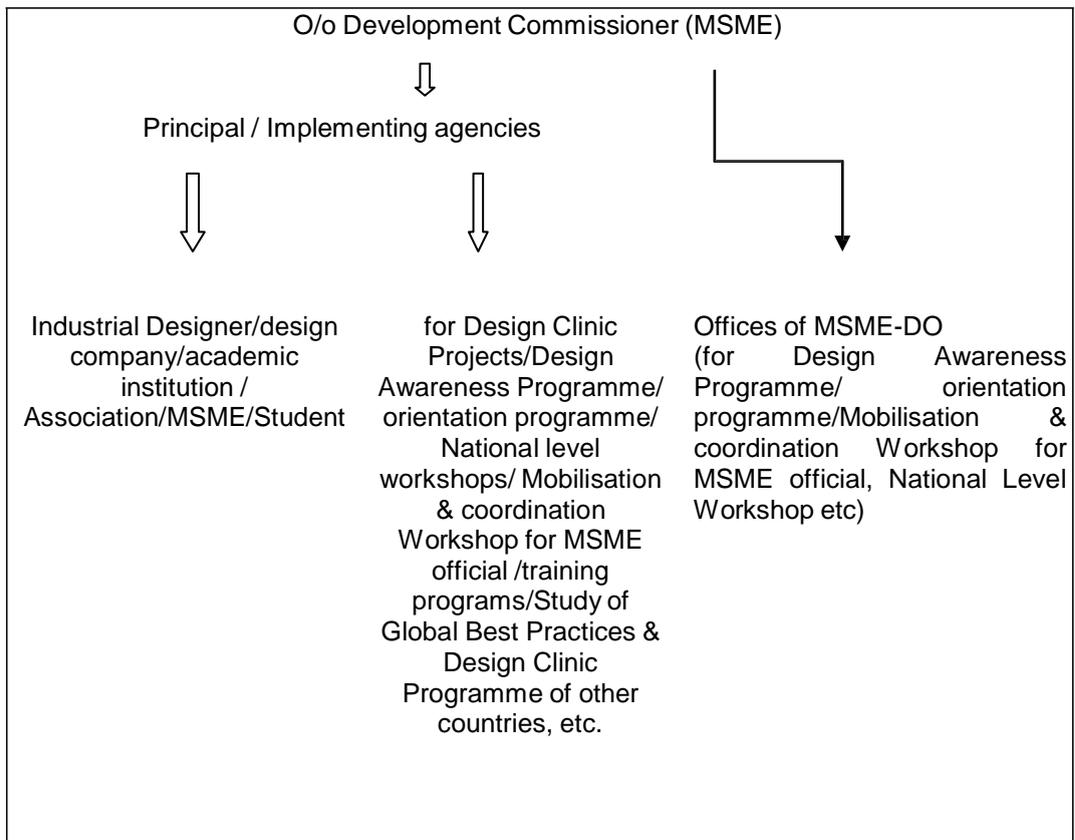
Item Nos . as per Annex. A	Description/Activities	Rate	Qty. (Nos.)	Gol contribution	Beneficiary Contribution	Total
1	Setting-up of 2 new Design Regional Centre			2235.00	-	2235.00
2	Operating Expenses for Design Regional Centres to be made by DC (MSME) through implementing agencies.					
3	Implementing agencies fees (Honorarium for hiring of Designer/consultant/scientist/profess ors/academicians, utilizing their services and infrastructure of different Institutes)					
4	Mobilization & Coordination Workshop for MSME officials.	10.00	5	50.00	-	50.00
5	Design Awareness Programmes					
5(a)	Seminars On Design Clinic Scheme	0.60	600	360.00	-	360.00
5(b)	Workshops (including need assessment survey) (75% Gol funding)	5.00	275	1031.25	343.75	1375.00
6	Design Clinic Projects:					
6(a)	Student Projects (75% Gol funding)	2.00	205	307.50	102.50	410.00
6(b)	Individual Micro projects (75% Gol funding) (upto 3 units)	15.00	120	1350.00	450.00	1800.00
6(c)	Group SME projects (60% Gol funding) (Upto 3 units)	25.00	148	2220.00	1480.00	3700.00
6(d)	Group Micro projects (75% Gol funding) (more than 3 units)	25.00	80	1500.00	500.00	2000.00
6(e)	Group SME projects (60% Gol funding) (more than 3 units)	40.00	60	1440.00	960.00	2400.00
7	Promotional Activity, Website, Publicity, Miscellaneous Expenses, etc.	LS	-	100.00	-	100.00
8	Orientation Programme for stakeholders of Design Clinic Scheme	2.00	75	150.00	-	150.00
9	Study of Global Best Practices and Design Clinic Programme of other Countries	50.00	6	300.00	-	300.00
10	National level Workshop on Design Clinic	10.00	2	20.00	-	20.00
	Total			11063.75	3836.25	14900.00

13.0 Modalities of Fund Transfer

Fund Transfer to Principal and Implementing agencies: For facilitating the smooth and faster roll out of the Scheme at a National Level, the total amount of grant envisaged under the Scheme would be transferred to Principal / other Implementing agencies to be kept in a separate account to be opened by Principal / other Implementing agencies. Principal / other Implementing agencies could take the funds out of this account against compliance of pre-defined conditions. Principal / other Implementing agencies would keep and periodically report on the fund status to PMAC.

Government of India grant will be released to Principal / other Implementing agencies, which in turn will release the grant as per following flow chart:

FUNDS FLOW CHART



END OF GUIDELINES

ANNEXURE-1

APPLICATION FOR DESIGN CLINIC SCHEME FUNDING ASSISTANCE

(To expedite processing of your application, please ensure that the application form is filled up completely. Where information is not available or applicable, please indicate accordingly. Please enclose all supporting documents as requested in the form).

TITLE OF THE PROJECT (write a brief and precise title of your project e.g. Design of low cost high speed grinding machine with Computer numeric control)-

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PART I- PRINCIPAL APPLICANT DETAILS**PRINCIPAL APPLICANT (MSME Unit/Group of MSMEs/Representative body):**

For group of applicants attach the Principal applicant details for all the members of MSME group.

Representative body has to provide the list of beneficiary MSMEs with their certification.

Registered Name of Company	
Contact person's name and designation	
Contact Details- Address: Tel No. : Mo. No. Email : Website:	
Established in Year	
Unit falls under (Micro/Small/Medium)	
Registration Number(EM-II) & date (a copy also enclosed)	
Value of Plant & Machinery as per EM-II	
Registration status with design clinic scheme (Yes / No)	

Turnover of msme unit in last financial year

	Financial Year	Turnover in INR
	Financial Year _____ to _____	

Profit statement of MSME unit in last three financial years

	Financial Year	Profit before Tax in INR
1	Financial Year _____ to _____	
2	Financial Year _____ to _____	
3	Financial Year _____ to _____	

Details of MSME unit's projects with Design clinic scheme [IF YES/NO]

Project Number	Status of Application (if approved indicate the sanctioned amount)	Status of project completion	Status of Commercialization

- i. **MSME Unit's Business Activity** (specify the area of business, products, services, market etc): Products manufactured by MSME unit –

PART II- CO-APPLICANT DETAILS**CO-APPLICANT (Design Firm/Consultant/Institute)**

Name of Design firm / Consultant /Institute:	
Project Coordinator Name	
Professional Experience:	
Area of expertise:	
Number of designers working (In case of Design firm/Institution):	
PAN No.	
Service Tax No. (Please mention, If applicable)	
Address:	
Tel No. :	
Mo. No:	
Email :	
Website Address :	
Registration status with design clinic scheme (PI register for project application)	Yes <input type="checkbox"/> No <input type="checkbox"/>

Qualification of consultant/firm members in detail:

- I. **About Design Firm /Consultant**
- II. **Design educational qualification**
- III. **Experience of details of design consultant's/ firm's expertise, capabilities, experience related to proposed design project:**
- IV. **If no matching capability/experience of working on similar product, provide Justification to take up the project and source of desired capability:**
- V. **Brief list of projects and clients:**

Details of Designer Consultant/Firm's projects applied with Design clinic scheme

Project number	MSME unit	Status of project (Approval Or Rejection)	Approved project Status
PDP- -			-
PDP- -			
PDP- -			
	Insert more lines to add projects		

PART III-DETAILS OF PROJECT**1. EXISTING PRODUCT DETAILS****I. Description of existing product in terms of functions, users, market etc.**

a) Paste at least 5-6 photographs for reference.

II. Name of competitors and their comparative features, price, Images etc.

	Competitor name	Product name	Features /Functions	Price

III. Revenue generated by the existing product (which is similar to the proposed) for MSME unit and its share in MSME production (Approx).**IV. Describe issues identified in existing product which forms the rationale for the need of new design.**

(E.g. old technology, outdated aesthetics, costly, less features, higher production time, inventory, Packaging problems or service issues, etc)

2. PROPOSED PRODUCT DETAILS**i. Describe the Proposed product****ii. Objective of proposed design activity****iii. Is the proposed product an improvement in existing product being made by the MSME or is it entirely a new product to be developed?**

- a. In case of new product to be developed, please explain the need and scope for the same
- b. In case of new product to be developed, please detail out the following
 1. Infrastructure, capability and expertise of MSME Unit to produce.
 2. Plan for selling the product in domestic/international market or both.
 3. Does MSME has desired technology, certification, approvals, etc (explain)

- iv. Provide technical details/ specifications of the product to be designed
- v. Provide advantages of new design over the existing products as compared to in-house or market or both product (in case of new products provide list of features/solutions going to be generated)
- a. Manufacturing advantages
 - b. Market/user advantages
- vi. Provide the list of certificates/standards/approvals required/acquired to sell the product in the market
- a.
 - b.
 - c.
- vii. Describe the proposed product on which design intervention is proposed. Indicate how the design interventions meet the objective of increasing *manufacturing competitiveness in the percentage scale.. Please elaborate in the space provided.*

Areas of Design interventions	10 -25%	25 -50%	50 -75%	Above 75%
1. Improved aesthetics/looks, emotions				
<i>reasons /justifications—</i>				
2. Enhanced ergonomics, safety, comfort, user ease, etc				
<i>reasons /justifications—</i>				
3. Improved Features, functionality, utility.				
<i>reasons /justifications—</i>				
4. New technology intervention				
<i>reasons /justifications—</i>				
5. Enhancement of Durability and ease of use, user centered serviceability				
<i>reasons /justifications—</i>				
6. Enhancement of Value of product , Reduction in cost				
<i>reasons /justifications—</i>				
7. Reduction in assembly time and steps in manufacturing, packaging, storage, logistics				
<i>reasons /justifications—</i>				
8. Reduction in material /energy required.				
<i>reasons /justifications—</i>				
9. Enhancement of Productivity				
<i>reasons /justifications—</i>				
10. Enhancement of Turnover/market				
<i>reasons /justifications—</i>				

11. Does the new design propose a potential for export or substitute for import

12. IPR generated / Proposed / possibility in the new product-explain

viii. Provide details of the following points in a Comparative Matrix Format.

	Existing MSME products	Competition products	New Product
Features			
Technology details incorporated to meet the functions			
Market and target customers			
Market Share			
Standard/Product Certification.0			
Price (In comparison to the new and existing products)			

ix. Expected Production & comparative Price after the design intervention

	Existing product	New Products (Expected)
Production (No. of units)		
Market price/unit		

x. Describe the investment planned for Final Tooling and Production after the design project.

xi. Expected time of production and product launch.

3. DESIGN INTERVENTION PROCESS

I. Specify phase wise Design methodology

	Activities	Deliverable (Including report as per Guideline)	Durations
Phase 1. Design research/ directions/ strategy			
Phase 2. Concept Development			
Phase 3. Design Detailing			
Phase 4. Prototype			
Total Project Duration			

II. Design Activity outcome and Deliverables

Particulars	Numbers
Development of New Concepts	
Development of Mock ups/ Scaled down model	
Cad model and engineering Drawing for prototype/Production	
Prototype	

- Design expert/firm will be involved till the end and delivery of project.
- Design expert/ firm will be submitting the report on completion of each phase of the project as per the prescribed format.

III. Provide category wise list of products if multiple product are going to be designed

Sr No.	Product category	Product name	Numbers of unique designs
1			
2			
3			
4			

IV. Details of the Members of the Design Team to be involved in the project

Sl. No.	Team members (nos.)	Total Professional Hours	Rate per Hour in Rs.	Total in Rs.
Phase 1				
	Industrial Design			
	Engineering Design			
	Drawing, Drafting & modeling			
Phase II				
	Industrial Design			
	Engineering Design			
	Drawing, Drafting & modeling			
Phase III				
	Industrial Design			
	Engineering Design			
	Drawing, Drafting & modeling			
Phase IV				
	Industrial Design			
	Engineering Design			
	Drawing, Drafting & modeling / prototype			

Provide Details of other support agencies/experts going to be part of the project

4. PROTOTYPING DETAILS

Important – Applicants are suggested to provide the information for prototype activity -- Tooling/Development/Production activities will not be considered in prototype phase. Prototype cost will be approved for the design project based on the justification provided below. In case of non clarity/insufficient justification for prototype cost, approval committee may approve the design project without the prototype cost and/or may ask of further clarification.

i. Objective of prototype making –

- a. specify the reason behind the prototype development in proposed design project
- b. How it is going to help in production planning and launch of final design.
- c. What is the nature of prototype–
 - i. Aesthetics and form related inspection
 - ii. Functional tests and confirmation
 - iii. Resembling to Actual product in terms of form and function

ii. Prototype cost Justification (important for project cost approval)–

Provide tentative cost of prototyping work for estimation purpose. This information will help in understanding the expenses incurred in prototyping activity. Prototype cost may vary in the range of 10-15% and will be reimbursed as per actual on submission of relevant documents

	Prototype activity	Details of parts and	Approximate rate/cost
I.	Bought out parts (provide a list of electronic, electrical, mechanical, etc. parts, components & subassemblies required)		
II.	Raw materials (Aluminium, Brass, Steel, Alloys, Plastics, Rubber, Glass, Ceramics, Wood, etc, in various forms)		
III.	Process/Labour Cost (Rapid Prototyping, Castings, Machining, Forming, Fabrication, Soft tooling, consumables, etc)		
IV.	Others (describe in detail) & Cost in Rs.		
TOTAL PROTOTYPE COST (I + II + III + IV)			

Final Prototype price if can sold in the market as final product after the end of project -Rs.

5. FINANCIAL DETAILS**Designer Fees (Excluding all Taxes)**

Designer's fee	Rs. _____
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A. Travel & Documentation cost

(Will be paid as per the actual bills, submitted for travel and documentation required to perform activities of design project. Documentations require detailed report of all the phases and a final report of design project. Images and scanned documents etc will be required and professional photographer's services may be taken for recording images/video during mock-up, prototype, and final products in the documentation process.)

Travel Cost (will be paid As per actual)	Rs. _____
Documentation Cost (Includes photography cost of all the phase activity – as per actual not exceeding Rs.10,000)	Rs. _____
Registration Fee for Design Registration under the Design Act, 2000 (on actual basis / admissible amount as applicable)	Rs. _____

B. Total Prototype cost (as detailed out in 6.iii.):

Prototype Cost	Rs. _____
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C. Total Project Cost:

Total Project Cost (A+B+C)	Rs. _____
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Cost In words:

Total Time Duration (as in 5.i):

6. TERMS AND CONDITIONS (optional)***Terms and conditions***

- i) Terms and condition between the design studio and MSME with regards to details of deliverables, payments, IPR issues, approval of work etc.

PART IV- DECLARATION**I hereby declare that**

- (a) All factual information provided in this application as well as the accompanying information reflects the status of affairs as at the date of submission. I shall inform the Design Clinic Centre immediately if there are any subsequent changes to the above information; and
- (b) The proposed project of the application is original and without any constituted or potential act of infringement of the intellectual property rights of other individuals and / or organizations.

Principal applicant

Authorized Signature with
Organization / Company Seal

Name of Signatory

Position

Name of Applicant
(Organization/Company)

Date (dd / mm / yyyy)

Co-applicant

Authorized Signature with
Organization / Company Seal

Name of Signatory

Position

Name of Applicant

Date (dd / mm / yyyy)

PART V- DECLARATION BY MSME UNIT

***Declaration by MSME unit
(On Letter Head of MSME Unit)***

I declare that:

- I. We are going to take services from _____ Design firm /Consultant, for _____ (Project title).
- II. The company has not applied, obtained or will be obtaining any other tax/financial incentives for the proposed consultancy project.
- III. The company is free from any litigation to the proposed project.
- IV. The facts stated in this application and the accompanying information are true and correct to the best of my knowledge and that I have not withheld/distorted any material facts; and
- V. The company falls under the definition in **MSMED Act, 2006** as (*Strike out which is applicable*)

- Micro enterprises
- Small enterprises
- Medium enterprises

Note: If Tick mark any one as above the give the registration no. (EM-II) & date:
_____.

- VI. The company is profitable for last three years and has not been granted any financial support from Design Clinic Scheme before.
- VII. We are willing to pay 40% of the approved project cost as a matching fund.
- VIII. In case the project is approved, I undertake to make facilities available to carry it out, to arrange for the submission of periodic progress reports and other information that may be required by DCS for MSMEs.
- IX. I certify that I shall ensure that accounts of the funds received and spent will be kept and made available on demand, as specified and required by DCS for MSMEs.

SIGNATURE OF SOLE
PROPRIETOR/PARTNER/COMPANY
DIRECTOR/MD/CEO*

COMPANY STAMP

NAME

Date

PART VI- DECLARATION BY DESIGN CONSULTANT***Declaration by Design Consultant/ Studio
(On Letter Head of Consultant/ Studio)*****I declare that:**

- I. I/We wish to work on Design Project _____ (Project title) for _____ MSME Unit as stated in proposal.
- II. (For consultant who is an individual, including sole proprietorships)
I am a third party consultant and I am not an employee of the applicant or any company affiliated to the applicant or any joint venture partner or agent of the applicant.
- III. (For consultant which is a partnership/company)
We are a consulting business that is unrelated to the applicant. None of our partners/directors or shareholders or our consultants have any interest in or are in the employment of the applicant or any company affiliated to the applicant or any joint venture partner or principal or agent of the applicant.
- IV. The facts stated in this application and in the accompanying materials with regard to the proposed consultancy project are to the best of my knowledge, true, complete and accurate and no material facts have been withheld or distorted.
- V. I/We have not given any monies, rebates, discounts, refunds, liquidated damages or any other payment, whether in cash or in kind, to the applicant or its directors or shareholders or any other person related to the aforesaid persons, in connection with the proposed consultancy project, and there is no intention to give such money, rebates, discounts, refunds, liquidated damages or payments.
- VI. The design development/design intervention strategy proposed by us to the MSME does not infringe IPR rights of others.

SIGNATURE OF SOLE
PROPRIETOR/PARTNER/COMPANY
DIRECTOR/MD/CEO*

COMPANY STAMP

NAME

DATE

**Certificate from Chartered Accountant about MSME Unit is profitable in last three years
(On C.A's. Letter Head)**

TO WHOM IT MAY CONCERN

Verified from the Books of Accounts of M/s.
with their Registered Office at.....
and Entrepreneur's Memorandum Part-II acknowledgement number.....
Dated that the total Investment in plant and machinery (original purchase value) of the company as on date..... Stand as Rs.....
(Rupees in words.....).

And Unit falls under

- Micro
- Small
- Medium Enterprise.

Verified from the Books of Accounts of MSME unit that the unit is profitable for Last 3 years as per the following:

Year _____	Profit _____
Year _____	Profit _____
Year _____	Profit _____

Name & Signature of the
Chartered Accountant with stamp and
Membership number. _
Place:

Date:

Name & Signature of the
Chartered Accountant with stamp and
Membership number. _____

Place: _____

Date: _____

DESIGN CLINIC SCHEME
PROGRESS REPORT OF APPROVED PROJECT

PART I – Basic Information

1.1 Submitted By (Recipient Organization / Company): _____

1.2 Project Title: _____

1.3. Project Reference: _____

1.4. Report Period:

From: _____ To: _____

PART II – Project Information

2.1. **Consultant Name / Contact Person:** _____

2.2. **Project Coordinator (Name / Tel / Email / Mobile):** _____

2.3. **Commencement Date:** _____(DD/MM/YYYY)

2.4. **Original target completion date:** _____(DD/MM/YYYY)

2.5. **Revised completion date:** _____(DD/MM/YYYY)

2.6. **Actual completion date:** _____(DD/MM/YYYY)

If the actual completion date is different from the original target completion date (or revised completion date, if any), please provide explanations

2.7. **Updated abstract of the project:** _____

PART III – Project Account

3.1. Financial Position:

3.1.1. Manpower Expenditure:

Items	Budget Expenditure	Actual Expenditure for this report period	Remarks

3.1.2. Equipment:

Items	Budget Expenditure	Actual Expenditure for this report period	Remarks

3.1.3. Other direct costs:

Items	Budget Expenditure	Actual Expenditure for this report period	Remarks

3.2. Contribution by MSME: _____

3.3. Fund Received: _____

3.4. Balance required: _____

PART IV – Project Progress

4.1. Project Progress to date

(Please provide details on the progress regarding deliverables as set out in your proposal): _____

4.2. Feedback from beneficiaries of the project

4.2.1. For MSME: _____

4.2.2. For Consultant: _____

4.3. Problems encountered in implementing the project (if any): __

4.4. Comments and Suggestions: _____

DESIGN CLINIC EVALUATION FORM

The evaluation criteria are divided in 4 phases viz.

- Strategy,
- Concept,
- Detail Design, and
- Implementation

The phases are in accordance with the design stages. Evaluation at each of this stage is essential as each of the steps informs the next step. The phases are indentified with the payment schedule of the design clinic project assistance.

Phase 1: Strategy

S. No.	Item	Comments	Rating / Max Rating
Section A - Problem Identify			
1.	Research (existing products / materials ergonomic / anthropometrics / kinesiology, market trends sociological / psychological		/ 15
2.	Research Analysis		/ 15
3.	Design Brief criteria / needs methodology goals / challenges		/ 20
Section B - Strategic Vision			
4.	Product's scope and market segment		/ 5
5.	Market segment's values <ul style="list-style-type: none"> • cultural, moral and aesthetic values 		/ 5
6.	Market strength <ul style="list-style-type: none"> • Is this product filling the market gap? • Addressable Market size & growth • Projected Market share • Current involvement of business with the 		/ 20
7.	Design Specifications <ul style="list-style-type: none"> • Constraints on the Design • Creative Direction (style, materials, tones, usability, etc.) • Project Management (budget, schedules and deadlines, details of 		/ 20
8.	Overall Rating		/ 100

Phase 2: Concept

S. No.	Item	Comments	Rating / Max Rating
1.	Originality <ul style="list-style-type: none"> • Shape of form of concept • Inventive ideas and concept 		/ 15
2.	Aesthetics <ul style="list-style-type: none"> • Beautiful • Meaningful 		/ 15
3.	Ergonomics <ul style="list-style-type: none"> • hazard and human error elimination; • comply with human limitations (physical and perceptual); • anthropometrical suitability (positions and movements); • way of use - conspicuous from formal elements; • complete compatibility displays - controls; • reduce of annoyance caused by lights, noise or smell 		/ 15
4.	Functionality <ul style="list-style-type: none"> • Not technical features of the product • Contribution of elements of product language to the proper functioning of the product • List of performance parameters from the product language (shape, texture, colour, sound etc.) point of view 		/ 15
5.	Marketability <ul style="list-style-type: none"> • the final scope • the market segment for which the product is addressed for • Marketing strategy • Resources for commercial production Item 		/ 15
6.	Manufacturability <ul style="list-style-type: none"> • Product's formal elements from a manufacturing point of view 		/ 15
7.	Category <ul style="list-style-type: none"> • New Product for New Market • New Product for Known Market • Known Product for New Market • Known Product for Known Market 		/ 10
8.	Overall Rating		/ 100

Phase 3: Detail Design

S. No.	Item	Comments	Rating / Max Rating
1.	Functional - design object's state of being capable to function at required quality parameters.	functional / non-functional	/ 10
2.	Significance - property of design object to transmit by product language a message about	—high qualityll, —it suits mell, —luxuriousll, —cheapll, —expensivell,	/ 10
3.	Human-scaled - property of design object of having a size comparable to a human.	minuscule / human-scaled / enormous	/ 02
4.	Balance - state of perfect organization	well-balanced / ill-balanced	/ 03
5.	Proportion - ratio of shape's dimensions	proportionate / disproportionated	/ 03
6.	Direction - direction of the maximum dimension of object	horizontal / vertical / neutral	/ 02
7.	Formal coherence - property of the product's formal elements to display concordance at several levels: size shape texture	formal coherent / formal incoherent	/ 03
8.	Prominence - property of form to stand	prominent / non-prominent	/ 05
9.	Compactness - property of form to enclose a minimum volume, integrating all formal elements.	compact ...disperse	/ 05
10.	Complexity - degree of formal differentiation.	minimal ... complex	/ 05
11.	Elegance - property of design object of possessing a simple, yet expressive shape and color	elegant / simple / shabby	/ 02
12.	Accent - product's feature that stands out, by contrast, from the overall appearance	[list of accented features]	/ 10
13.	Rhythm - repetition of similar elements	[list of rhythmic elements]	/ 03
14.	Detail finish - quality of surfaces, coverings and joints	first-rate / rough	/ 10
15.	Form origin Abstract Natural	source used by designer for formal conception of his/her product geometric / organic nature-copied / stylized / nature-suggested	/ 02
16.	Temporal orientation - the period taken as reference in development	avant-gardist / actual / traditional / retro	/ 02
17.	Designer's attitude - the way the designer expresses his / her intentions, expectations and feelings	—sportivell, —parodicalll, —playfulll etc.	/ 03

	her creation.		
18.	Originality - state of design object of being distinct in its class of objects	original / unoriginal	/ 15
19.	Familiarity / novelty ratio - factor for product's success. Its value varies for different classes of products	[best value according to class]	/ 05
20.	Overall Rating		/ 100

Phase 4: Implementation

S. No.	Item	Comments	Rating / Max Rating
1.	Prototype User research / market test <ul style="list-style-type: none"> • Technical Testing • Manufacturing Plan • Market Introduction Plan 		/ 40
2.	Project Assessment Objectives vs. realization Category <ul style="list-style-type: none"> • New to the world product • New Product • Improvement to existing product • Addition to existing product • Cost reduction • Re-positioning 		/ 20
3.	Design Success <ul style="list-style-type: none"> • Hard measures could include profits, sales figures, contracts secured or number of units produced • Soft measures could include customer and supplier feedback, shifts in the consumers' perception, changes in market positioning, competitors' reactions and general reactions to the designs 		/ 40
4.	Overall Rating		/ 100

ANNEXURE-4

DESIGN CLINIC SCHEME

COMPLETION REPORT OF APPROVED PROJECT

PART I – Basic Information

Submitted By (Recipient Organization / Company): _____

Project Title: _____

Project Reference: _____

Report Period:

From: _____ **To:** _____

PART II – Project Information

Consultant Name / Contact Person: _____

Project Coordinator (Name / Tel / Email / Mobile): _____

Commencement Date : _____(DD/MM/YYYY)

Original target completion date: _____(DD/MM/YYYY)

Revised completion date: _____(DD/MM/YYYY)

Actual completion date: _____(DD/MM/YYYY)

If the actual completion date is different from the original target completion date (or revised completion date, if any), please provide explanations

PART III – Project Account

Please attach the final audited financial statement

Expenditure: _____

Contribution by MSME: _____

Fund Received: _____

Balance required or returned: _____

Achievement & Deliverables: _____

Feedback from beneficiaries of the project For MSME

For Consultant

Problems encountered in implementing the project (if any)

Post Project actions (if any)

(Please list out any post-project action that is required)

Comments and Suggestions
