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Government of India
Office of the Development Commissioner
(Micro, Small & Medium Enterprises)
Ministry of Micro, Small & Medium Enterprises
'A' Wing, 7th Floor, Nirman Bhavan,
New Delhi-110108

No. 81(1)/DPR/ICT/2008/IT

10th August, 2010

OFFICE MEMORANDUM

Subject: "Promotion of Information and Communication Technology (ICT) in MSME sector" under the National Manufacturing Competitiveness Programme (NMCP).

1.0 Introduction

The Government has decided to implement the scheme "Promotion of Information and Communication Technology (ICT) in MSME sector" as part of the National Manufacturing Competitiveness programme (NMCP) during the 11th Plan Period.

The main objective of the scheme is to encourage and assist the potential MSME clusters to adopt ICT tools and applications in their production & business processes, with a view to improving their productivity and competitiveness in national and international markets.

2.0 The Scheme

The broad activities planned under the scheme include, identifying potential MSME clusters for ICT intervention, conducting awareness programmes and feasibility report, preparation of cluster specific DPR, setting up of E-readiness infrastructure, developing web portals for clusters, skill development of MSME staff in ICT applications, deployment of local software solution for MSMEs to enhance their competitiveness and networking MSME cluster web-portals on to National level Portal in order to outreach MSMEs into global markets. The total scheme budget will be ₹105.00 crore, out of which ₹47.70 crore will be the Government of India (GoI) assistance and the balance amount will be contributed by the beneficiary MSMEs. About 5,000 MSME units from 100 clusters will be covered under the scheme.

2.1 Programme Management

A Project Monitoring & Advisory Committee (PMAC) will be constituted under the Chairmanship of Additional Secretary and Development Commissioner (AS & DC / MSME) to supervise and monitor the implementation of the Scheme. The PMAC will identify and allocate potential clusters for awareness programme, approve appointment of Technology Provider (TP) and other implementing agencies, sanctioning the preparation of cluster specific Detailed Project Report (DPR),

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2.2 Appointment of Technology Providers

A panel of Technology Providers from the prominent IT industry organizations will be appointed under the scheme to bring in their technology expertise/inputs, sensitize MSMEs on the need and benefits of ICT adoption, assist in diagnostic mapping of selected clusters and formation of SPVs.

2.3 Awareness Programme and Feasibility Report

Awareness Programme will be conducted to sensitize the MSME sector about the scheme and encourage manufacturing MSMEs to adopt ICT tools. Based on the inputs received during such programmes, a feasibility report containing existing IT status among the MSMEs and possible ICT interventions will be prepared, for each selected clusters.

2.4 Preparation of Detailed Project Report (DPR)

The DPR will provide cluster specific details on the requirements of hardware and software interventions (including setting up of e-Readiness Centre and suggested local software solutions) along with time lines and cost estimates for each activity. The proposal will also include skill development on ICT among the MSME staff.

2.5 Setting up of e-Readiness Centres

Based on the recommendations of the DPR, e-Readiness Centre (e-RC) will be set up in the identified cluster (or group of clusters). The e-RC will host commercial software/locally developed solutions for the use of MSMEs in their business processes on chargeable basis. The set up will also facilitate training to MSME staff for upgrading their IT-related skills.

2.6 Subsidy for procurement of hardware and software

To support up gradation of ICT infrastructure of MSMEs in the selected clusters, a one-time subsidy of 25% (subject to maximum subsidy of ₹0.75 lakh) will be provided to the MSMEs on the institutional finance availed by them for procurement of hardware and software.

2.7 Construction of National Portal for MSMEs :

A National Portal for MSMEs will be set up to provide e-commerce and e-catalogue related facilities to MSMEs. This portal will have linkages with all the cluster specific portals established under the scheme.

2.8 Evaluation /Impact assessment studies

Evaluation/impact assessment studies would be undertaken through designated agencies from time to time to evaluate achievements of scheme objectives / action plan and facilitate mid-term corrections, so as to make the scheme more effective.

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- 3.0 The detailed guidelines of the scheme have been approved by the competent authority and are enclosed for ready reference. These guidelines are also available on the official website of the office of Development Commissioner (MSME) www.dcmsme.gov.in


(Abhay Bakre) 10/8/10

Joint Development Commissioner

Encl: Scheme Guidelines

Copy for information to:-

1. Chief Secretary (States/UTs)
2. All Commissioner /Director of Industries (states/UTs)
3. Secretary, Department of Expenditure, North Block, New Delhi
4. Secretary (MSME), Ministry of MSME, Udyog Bhawan, New Delhi
5. Planning Commission (PAMD, VSE)
6. Joint Secretary & Chief, NMCC, Vigyan Bhawan, New Delhi
7. AS & FA, M/o MSME, Udyog Bhawan, New Delhi
8. Chief Controller of Accounts, DIPP, Udyog Bhawan, New Delhi
9. Budget & Accounts Section, O/o the DC (MSME)
10. Members of Project Monitoring and Advisory Committee (PMAC)
11. All Directors, MSME-DIs/ MSME Testing Centres/All Branch SME-DIs
12. Internal Circulation in the O/o DC (MSME) as per standard list.


(Abhay Bakre) 10/8/10

Joint Development Commissioner