



सत्यमेव जयते

**GOVERNMENT OF INDIA**



**Micro, Small & Medium Enterprises**

**सूक्ष्म, लघु एवं मध्यम उद्यम**

## **Guidelines**

**For the Implementation of  
Design Expertise to Manufacturing MSME Sector**

**Under**

**Credit Linked Capital Subsidy and Technology Up-gradation Scheme  
(CLCS-TUS)**

**Development Commissioner  
(Micro Small and Medium Enterprises)  
Ministry of Micro, Small and Medium Enterprises,  
Government of India**

*Up-scaled: Revised 2019*

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## Abbreviations

AS&DC (MSME)	-	Additional Secretary & Development Commissioner (MSME), Ministry of MSME
IEC	-	Information, Education and Communication
GoI	-	Government of India
NMIUs	-	National Monitoring and Implementation Units
MSME	-	Micro, Small & Medium Enterprises
SME	-	Small & Medium Enterprises
MSME-DI	-	MSME Development Institutes, under DC (MSME)
PMAC	-	Project Monitoring and Advisory Committee
IFW	-	Integrated Finance Wing
IAs	-	Implementing Agencies

## DESIGN EXPERTISE TO MANUFACTURING MSME SECTOR (2019)

### 1.0 Introduction

1.1 The office of Development Commissioner (MSME), Ministry of Micro, Small & Medium Enterprises, Government of India will implement up-scaled (2019) “Design Scheme” for design expertise to Micro, Small and Medium Enterprises (MSME), a component of CLCS-TUS for the benefit of Micro, small and medium enterprises (MSMEs) for the period ending FY 2019-20. The total project cost is Rs. 170.00 crore (Government of India contribution amounting to Rs. 123.375 crore and beneficiary contribution of Rs. 46.625 crore) including expenditure on to complete left over activities remaining part of the phase-I and phase-II of the scheme.

1.2 The scheme is to enhance industry understanding and application of design 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. Enhance strategic design application among MSMEs for improving the manufacturing competitiveness through well design and quality.

1.3 Design is recognized as an innovative discipline that can help MSMEs to survive and evolve into an increasingly complicated market. Design is readily associated with industrial product design for manufactured products. 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. 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 well-designed product or organization is more valuable than a product or organization that is not well-designed.

1.4 The Design scheme will help MSMEs to avail independent advice on all aspects of design. 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.

**2.0 Objectives:** To bring Indian manufacturing sector and Design expertise/ Design fraternity on to a common platform and to provide expert advice and cost effective solution on real time design problems, resulting in new product development, continuous improvement and value addition for existing products including new products.

**3.0 Coverage and Eligibility:** Assistance under Scheme will be available for manufacturing MSMEs as per MSME Act 2006 as amended time to time and also to MSMEs which are included as per executive orders issued by office of AS&DC (MSME) consistent with MSME Act from time to time.

### 4.0 Components of the scheme:

The scheme is divided in two major parts, viz., Design Awareness and Design Projects apart from the other interventions.

4.1 Design Awareness Programme (Seminars), Design Workshops (need assessment survey) and Orientation Programme. Support permissible is as follows:

- a. Awareness programme: upto Rs.70,000/programme.
- b. Workshop (Need assessment survey) : upto Rs.5.00 lakhs (75% GoI funding) for 5 days duration.
- c. National level workshop: upto Rs.5.00 lakhs for one day duration.
- d. Orientation programme for stakeholders : upto Rs.2.00 lakhs for one day duration.

4.2 Training of implementing agency officials (Mobilisation & Coordination workshop for MSME officials): upto Rs.10.00 lakhs for 5 days duration.

4.3 Study of Global Best Practices and Design Programme/fairs/exhibitions of Other Countries: upto Rs.50.00 lakhs/per visit.

4.4. Promotional activities, Website, Publicity, Miscellaneous Expenses, IEC, etc.

4.5. Design Projects: To facilitate MSMEs to develop new Design strategies and or design related products through design interventions and consultancy. Financial assistance to the MSMEs for engagement of design consultants for design intervention (GoI contribution @ 75% for micro, 60% for SMEs for the project range Rs. 15 lakh to Rs. 40 lakh.). The GoI funding grant will be reimbursed in 3 stages. The matching fund (MSME contribution) of MSMEs for the project should be traceable and verifiable at each stage. A suitable mechanism should be developed. Payment shall be done in three stages:

- o Stage 1 – Strategy & Concept- 40%
- o Stage 2 – Detail Design - 30%
- o Stage 3 – Successful Implementation and completion report - 30%

4.5.1. Student Design Project Funding: The Design 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 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 under design scheme are eligible to apply for this funding. The deliverables for the student project will be specified clearly by the NMIUs/IAs. The funding grant will be reimbursed in 3 stages, in the following manner:

- o Stage 1 – Application approval - 25%
- o Stage 2 – Mid Stage (about 50% period completion) - 25%
- o Stage 3 – Final Report Submission - 50%

4.6. Project Duration: Project duration shall be less than one year.

4.7. Eligible Applicant: The manufacturing MSMEs may be a profitable entity preferably in the last 3 years of its operations, PMAC can relax the criteria.

## 5. IMPLEMENTATION MECHANISM

**5.1 National Monitoring and Implementing Unit (NMIU)** – A National Monitoring and Implementing Unit (NMIU) shall be set up in the O/o DC (MSME) to take care of facilitation, implementation and monitoring of the scheme.

**5.2 Implementing Agencies (IAs):** Present implementing agencies National Institute of Design (NID), Ahmedabad & Indian Institute of science (IISc), Bangaluru will be continued as implementing agencies and more implementing agencies like Indian Institute of Technology (IIT), National Institute of Technology (NIT), Tool Rooms etc., may be roped on need basis.

**5.3 Project Monitoring and Advisory Committee (PMAC):** Project Monitoring and Advisory Committee will be set-up at the office of AS&DC (MSME), who will look after the Planning, Screening, identification and such other function as deemed fit. NMIU will receive the projects from IAs and after appraisal and vetting will put up proposal to PMAC for Consideration and approval. PMAC will have overall responsibility for policy formulation, Scheme implementation and monitoring. It will be empowered to take all key decisions related to the Scheme and to approve minor modifications / procedural changes in the guidelines for operational expediency. The constitution/members of the PMAC will be:

1.	AS & DC(MSME)	Chairman
2.	Joint Secretary, O/o the DC(MSME)	Vice Chairman
3.	EA(IFW)/Representative	Member
4.	JS DIPP/Representative	Member
5.	In-Charge, NMIUs	Member
6.	Representatives from IITs, other Design Institutions / specialized institutions/ designer fraternity	Member
7.	Representative of Industry Associations	Member
8.	ADC/JDC in-charge of MSME-DIs at O/o DC(MSME)/Director of MSME-DI concerned/ invitee	Member
9.	JDC/Director/Nodal officer handling Design Scheme in DC, MSME	Member-Secretary
10.	Special invitees / experts/ Designers/IAs	

The PMAC will hold its meetings periodically or as and when required.

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