OFFICE MEMORANDUM

Subject: Digital MSME (ICT Scheme of Ministry of MSME).

O/o Development Commissioner (MSME) is in the process of evolving a Digital MSME (ICT) Scheme. The prime objective of the scheme is to motivate MSMEs to adopt Information and Communication Technology (ICT) Tools/ applications in their production and business processes through Cloud Computing Services with a view to improve their competitiveness in National and International Markets.

2. The scheme shall be implemented through a Specialized Institution namely Telecommunications Consultants India Ltd. (TCIL), New Delhi. TCIL will further empanel various Cloud Computing Service Providers (CCSPs) who will deliver the services to MSMEs. Detailed concept on the scheme is enclosed. You are requested to offer your comments and suggestions on urgent basis by 15.09.2016.

Encl: As above.

Copy to:
1. Joint Secretary, Meity
2. President, NASSCOM, New Delhi
3. President, Laghu Udyog Bharati
4. Director, FICCI
5. Executive Director, MAIT
6. Secretary General, FISME
7. Director, Assocham
8. Director, iSPIRIT
9. Director (Technical), TCIL
10. Shri Shoaib Ahmed, Country Head, Tally Solutions
11. Ms. Nandini Singh, Autodesk
12. Ms. Vibha Mehra, Head (BD), Wipro
13. Shri Shalabh Sehgal, GM, JILIT
14. Shri Irfan Shah, Manager, IBM
15. Shri Pankaj J. Kumar, Reliance
16. Shri Vishesh Gupta, Net4 India Ltd.
17. M/s Lexplosion Solutions Pvt. Ltd.
18. M/s Legasis Services Pvt. Ltd.
Digital MSME (ICT) Scheme

1. The prime objective of the scheme is to motivate MSMEs to adopt Information and Communications Technology (ICT) tools/applications in their production and business processes through Cloud Computing Services with a view to improve their competitiveness in National & International Market. Cloud Computing is emerging as a cost effective and viable alternative in comparison to in-house IT infrastructure installed by MSMEs.

2. The scheme shall be implemented through a Specialized Institution namely Telecommunications Consultants India Limited (TCIL), New Delhi. TCIL will further empanel various Cloud Computing Service Providers (CCSP), who will deliver the services to MSMEs.

2.1. Adoption of cloud computing by MSME shall lead to standardization of their business processes, improvement in delivery time, reduction in inventory carrying cost, improvement in productivity and quality of production controlling of cost & time, improved customer satisfaction, by use of latest authentic versions of applications at affordable prices.

2.2. MSMEs can avail following type of cloud services under the scheme for improving their operations
   - Software as a Service (SaaS)
   - Platform as a Service (PaaS)
   - Infrastructure as a Service (IaaS)

3. A Portal is being developed by TCIL, which shall be used by the MSMEs for registration to avail the benefits under the scheme. The portal shall display the list of Cloud Computing Service Providers (CCSP) along with their list of the cloud services, charges, comparative cost of similar applications, features/specifications of the services, service levels, workflow to avail the services, etc. Portal will be suitably hyperlinked with the portals of CCSPs. The Portal will also display one webpage for each vendor. Portal shall be linked to payment gateways and dashboard with number of enterprises in each service vertical availing the service and notification for version improvement.

4. The CCSPs will provide discounted services for a minimum period of 2 years after which the choice will be with the MSME whether to continue with the same vendor depending upon its requirement. As CCSPs will get the leverage of this scheme, it is expected that they would offer their service at reasonably affordable cost to a large number of MSMEs.

5. TCIL will register the vendors (CCSP) on the portal. The TCIL will charge Rs.1 lakh for each registration of the vendor for first year and Rs. 20,000/- for annual renewal thereafter. The TCIL will charge the MSMEs per transaction (for services to MSMEs). The registration and service charges thus collected will be kept with TCIL to take care of their operational expenses. However, such charges will be limited to 7% of the business generated. TCIL will maintain a separate account for all the transactions – MSME wise and each vendor wise. Enterprises owned by SC/ST and National MSMEAwardees may be given some concessions.

6. Field offices of the Ministry of MSME and TCIL will create the required awareness about the benefits of this scheme including MSME DataBank. MSMEs may get themselves registered on the portal. Udyog Aadhaar Memorandum No. will be the unique key for providing the services to the MSMEs. The units which are not registered with the Udyog Aadhar will be guided by the TCIL portal for registration on Udyog Aadhar site. TCIL portal will validate UAM Number. After registration, MSME may access the details of Services offered by Cloud Computing Service Providers. MSME can opt for any service as per its requirement from a particular service provider.

7. Service Level Agreements (SLAs) between TCIL and CCSPs shall be entered into mentioning uptime and quality of services, etc. It shall be the responsibility of the CCSPs to ensure data privacy. The services will be offered from existing infrastructure of CCSPs. The data center/mirror data center should be located in India.
8. The assessment of ICT requirements of MSMEs shall be a continuous process. For this purpose, **Technology Approval and Advisory Committee** will be set up under the chairmanship of ADC (NMCP). The main function of this committee will be to approve the technologies/applications/software etc. for supporting under the scheme. The Committee will have the following members:

1. Director (Technical), TCIL
2. Representative of MAIT
3. Representative of ISPIRIT
4. President, Faridabad Industry Association
5. Director (NMCP)
6. Director (SENET)
7. Technical Director NIC
8. Special Invitees

This committee will hold meetings as and when required depending upon the number of proposals for participation in the scheme and advise on other issues as may be required for smooth functioning of the scheme.

9. Initially following Cloud Software Application Services are proposed to be provided:

<table>
<thead>
<tr>
<th>Application</th>
<th>Module</th>
<th>Service Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Management for ERP</td>
<td>HR &amp; Payroll</td>
<td>IBM</td>
</tr>
<tr>
<td></td>
<td>Sales Management</td>
<td>JIL Information Technology Ltd</td>
</tr>
<tr>
<td></td>
<td>Financial Accounting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inventory Management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fixed Assets Management</td>
<td></td>
</tr>
<tr>
<td>Design &amp; Industrial Manufacturing</td>
<td>3D Computer Aided Design</td>
<td>Autodesk</td>
</tr>
<tr>
<td></td>
<td>Computer Aided Manufacturing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Computer Aided Engineering</td>
<td></td>
</tr>
<tr>
<td>e-Presence</td>
<td>Web site development, hosting and Security</td>
<td>IBM NET4</td>
</tr>
<tr>
<td></td>
<td>Business e-mail solution</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Domain Registration</td>
<td></td>
</tr>
<tr>
<td>Regulatory Compliances</td>
<td>Identify compliance activities &amp; Management</td>
<td>Lexplosion Solutions Private Limited</td>
</tr>
<tr>
<td></td>
<td>Periodic regulatory compliance audits</td>
<td>Legasis Solutions</td>
</tr>
</tbody>
</table>