



Guidelines for the Implementation of Design Expertise to Manufacturing MSME Sector Under Credit Linked Capital Subsidy and Technology Up-gradation Scheme (CLCS-TUS)

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).

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.

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.

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.

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 (of MSME contribution) of MSMEs for the project should be traceable and verifiable at each stage.

Payment shall be done in the following three stages:

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

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 programme 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%

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

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

How to apply: The project proposal is called for in the above scheme.

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Please specify “Application of Design Expertise under MSME” over the envelop.