

Digital MSME Scheme

Details

Overview

The Digital MSME Scheme is a comprehensive government initiative launched by the Ministry of Micro, Small & Medium Enterprises (MSME), Government of India, to digitally empower MSMEs and promote the adoption of Information and Communication Technology (ICT) tools and applications in their production and business processes.

Launch Information

- Launch Period: 2017-18 to 2019-20 (Initial phase)
 - Implementing Ministry: Ministry of Micro, Small & Medium Enterprises (MSME)
 - Total Budget: ₹85.705 Crore (Government of India contribution: ₹58.105 Crore)
- Current Status: Ongoing with continuous updates and enhancements

Primary Objectives

The scheme aims to achieve the following key objectives:

1. Digital Empowerment: To make MSMEs digitally empowered and encourage them to adopt modern ICT tools
2. Cloud Computing Adoption: To sensitize and encourage MSMEs towards cloud computing for ICT adoption
3. Competitiveness Enhancement: To improve their competitiveness in national and international markets
4. Cost Reduction: To reduce the burden of investment on hardware, software, and infrastructural activities using cloud platforms
5. Quality Improvement: To adopt best practices for improving quality of products and services
6. Productivity Enhancement: To benefit productivity through cloud computing solutions

Core Components

The scheme encompasses four major activity areas:

1. Cloud Computing Services (Core Component)

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2. Awareness Programs & Workshops
3. Publicity, Branding & Mobilization
4. Technical Support & Training

Implementing Agency

- Primary Implementing Agency: Telecommunications Consultants India Ltd. (TCIL) •
- Supporting Agencies: National Small Industries Corporation (NSIC), MSME Development Institutes
- Monitoring Body: Project Monitoring and Advisory Committee (PMAC) headed by Development Commissioner (MSME)

Official Website

- Primary Portal: www.dcmsme.gov.in
- Application Portal: Digital MSME portal (integrated with TCIL platform)

Benefits

Financial Benefits

1. Subsidy Support:

- Maximum Subsidy: ₹1 lakh per unit for Micro and Small Enterprises
- Subsidy Period: Over 2 years (60% of user charges each year)
- Disbursement Method: Direct Benefit Transfer (DBT) through TCIL

2. Service Categories:

- With Subsidy: For Micro and Small Enterprises with 60% subsidy on user charges
- Without Subsidy: Ultra-low cost services for all MSMEs
- Market Cost: Standard market rate services

3. Cost Advantages:

- Reduced capital investment in IT infrastructure
- Lower operational costs through cloud services

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- Elimination of hardware and software maintenance costs
- Pay-per-use model for cloud services

Operational Benefits

1. Digital Transformation:

- Access to modern ICT tools and applications
- Cloud-based business solutions
- Digital marketing and e-commerce platforms
- Automated business processes

2. Technology Access:

- Enterprise Resource Planning (ERP) systems
- Customer Relationship Management (CRM) tools
- Digital accounting and inventory management
- E-commerce and digital payment solutions

3. Market Access:

- Enhanced reach to domestic and international markets
- Online business presence and visibility
- Digital marketing capabilities
- E-commerce platform integration

Support Benefits

1. Training & Capacity Building:

- Digital literacy programs
- Technical training on ICT tools
- Business process optimization training
- Skill development workshops

2. Handholding Support:

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- Technical guidance for implementation
- Business process consulting
- Ongoing technical support
- Troubleshooting assistance

3. Infrastructure Support:

- Cloud service provider empanelment
- Secure data storage solutions
- Regular software updates
- Technical maintenance support

Competitive Benefits

1. Market Competitiveness:

- Improved efficiency and productivity
- Enhanced product and service quality
- Faster time-to-market
- Better customer service

2. Business Growth:

- Scalable business solutions
- Data-driven decision making
- Streamlined operations
- Reduced operational overhead

3. Future Readiness:

- Digital-first approach
- Industry 4.0 preparedness

- Adaptability to market changes

- Innovation capabilities

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Eligibility

Primary Eligibility Criteria

1. Registration Requirements:

- Must be registered as MSME under MSME Act 2006 (as amended)
- Must have valid Udyam Registration Certificate
- Registration should be current and active

2. Category Classification:

- Micro Enterprises: Investment up to ₹1 crore and turnover up to ₹5 crore
- Small Enterprises: Investment up to ₹10 crore and turnover up to ₹50 crore
- Medium Enterprises: Investment up to ₹50 crore and turnover up to ₹250 crore

3. Sectoral Eligibility:

- Manufacturing sector enterprises
- Service sector enterprises
- Trading sector enterprises
- All eligible business activities under MSME classification

Specific Eligibility Conditions

1. Documentation Requirements:

- Valid GSTIN (Goods and Services Tax Identification Number)
- PAN Card of the business entity
- Valid bank account details
- Aadhaar linkage for subsidy disbursement

2. Business Status:

- Must be an operational business entity

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- Should have clear business objectives
 - Must demonstrate need for digital transformation
 - Should have basic IT infrastructure or willingness to adopt

3. Compliance Requirements:

- Must comply with all applicable laws and regulations
- Should not have any pending legal disputes affecting business operations · Must maintain proper business records
- Should have clear ownership and management structure

Subsidy Eligibility

1. For Subsidized Services:

- Only Micro and Small Enterprises are eligible for subsidy
- Maximum subsidy of ₹1 lakh per unit over 2 years
- Must not have availed similar benefits under other schemes

2. For Non-Subsidized Services:

- All MSMEs (Micro, Small, and Medium) are eligible
- Can access ultra-low cost or market cost services
- No subsidy limitations apply

Exclusions

1. Ineligible Entities:

- Non-MSME registered businesses
- Businesses with expired or invalid registrations
- Entities not complying with MSME Act provisions

2. Sectoral Exclusions:

- Activities not covered under MSME classification
- Businesses engaged in non-eligible activities

Entities with regulatory restrictions

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Application Process

Step 1: Pre-Application Preparation

1. Ensure Eligibility:

- Verify MSME registration status
- Check Udyam Registration validity
- Confirm GST and PAN details
- Assess digital readiness

2. Document Preparation:

- Gather all required documents
- Ensure Aadhaar linkage
- Prepare business plan for digital adoption
- Identify specific ICT needs

Step 2: Portal Registration

1. Access Official Portal:

- Visit www.dcmsme.gov.in
- Navigate to Digital MSME Scheme section
- Access the application portal

2. Create Account:

- Register with valid email ID
- Provide mobile number for OTP verification

- Create secure password
- Complete profile setup

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Step 3: Application Submission

1. Online Application Form:

- Fill complete application form
- Provide business details
- Specify ICT requirements
- Upload required documents

2. Service Selection:

- Choose appropriate service category
 - Select cloud service providers from empaneled list
- Compare services and pricing
- Select preferred service package

Step 4: Documentation Upload

1. Upload Required Documents:

- Udyam Registration Certificate
- GST Registration Certificate
- PAN Card
- Bank account details
- Business address proof
- Aadhaar card (for DBT)

2. Document Verification:

- Ensure all documents are clear and legible
- Check for completeness

- Verify information consistency
- Submit for processing

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Step 5: Application Processing

1. Initial Review:

- Application reviewed by TCIL
- Document verification process
- Eligibility assessment
- Technical feasibility check

2. Approval Process:

- PMAC review (if required)
- Final approval notification
- Service provider allocation
- Implementation timeline

Step 6: Service Implementation

1. Payment Process:

- Make full payment to cloud service provider
- Obtain payment confirmation
- Submit payment proof to TCIL
- Initiate service activation

2. Subsidy Disbursement:

- TCIL processes subsidy application
- Subsidy transferred through DBT
- Benefit credited to registered bank account
- Confirmation notification sent

Step 7: Post-Implementation Support

1. Technical Support:

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- Ongoing technical assistance
- Training and capacity building
- Issue resolution support
- Performance monitoring

2. Compliance Monitoring:

- Regular progress reporting
- Utilization assessment
- Feedback collection
- Scheme effectiveness evaluation

Key Features and Important Points

Scheme Highlights

- Digital First Approach: Emphasis on cloud-based solutions and digital tools
- Cost-Effective: Significant cost savings through subsidized services
- Scalable Solutions: Services that can grow with business needs
- Comprehensive Support: End-to-end assistance from application to implementation

Success Factors

1. Proper Planning: Assess digital needs and prepare comprehensive implementation plan
2. Right Partner Selection: Choose appropriate cloud service providers from empaneled list
3. Staff Training: Ensure adequate training for staff on new digital tools
4. Continuous Support: Leverage ongoing technical support and assistance

Current Status and Updates

- Scheme Evolution: Continuous updates and improvements based on industry feedback ●
- Technology Integration: Integration with latest technologies and platforms

- Expanded Coverage: Broader range of services and solutions
 - Enhanced Support: Improved technical support and handholding mechanisms

Contact Information

- Nodal Officer: Sh. Vinamra Mishra, Director
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- Website: www.dcmsme.gov.in
- Guidelines: Available on official website

Related Schemes

- MSME Competitive (LEAN) Scheme: For manufacturing competitiveness
- Technology Upgradation Scheme: For technology enhancement
- MSME TEAM Scheme: For e-commerce and digital marketing

- Credit Guarantee Schemes: For financial support

This comprehensive guide provides detailed information about the Digital MSME Scheme. For the most current information, application forms, and specific queries, please visit the official website at www.dcmsme.gov.in or contact the nodal officer.