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June 24, 2017

Dr K K Jalan  
Secretary  
Ministry of MSME

Respected Sir,

***Greetings from MAIT, the apex body representing the ICT sector in India!***

This is in reference to our observation on the **Guidelines "Digital MSME" Scheme for Promotion of Information and Communication Technology (ICT) in MSME Sector.**

We appreciate the efforts of the Ministry of MSME in modifying the existing ICT Scheme in view of emergence of new technology as cloud computing, which has been rechristened as **"Digital MSME"**. We understand that adoption of best practices, be it in process or product is the only way to create a level playing field and improve the competitiveness of MSME.

Our submission is that in addition to the services, devices (that provides the low-cost solution as PC) also need to be included as a part of the "Digital MSME" Scheme, as it will bring more efficiency in their business as well as reduce the cost of doing business.

We also request that the objective of the scheme should also include computing devices and all tender guidelines floated under the scheme should reflect the same (The term "Cloud Computing Services" should be replaced with "Cloud Computing Services & Computing Devices").

Our understanding from the Industry is highlighted for your kind perusal:

- Devices like PC being Subsidized within the same scheme will certainly boost the actual digital access across MSME sector & will become country's largest Digital adoption programme.
- Having device called out in the scheme will strengthen the programme as OEM fraternity can join to support the cause and reach out to masses which will eventually popularize the programme increasing its adoption
- If we want to be self-sufficient in electronic manufacturing and propagate more local value addition, we should engage and empower SMEs. MSME can offload a percentage weightage towards local manufacturing and boost the "Make in India" Initiative as well.
- The inclusion of devices looks more relevant with the advent of GST where the SMEs and service providers may fall in the scope of GST and having a subsidized PC will be of real-time use and also a subsidized PC offering will extend stickiness to the programme.
- Also, Mobilization and education to the beneficiaries/end-user is the key for adoption and success of the scheme, which industry together can help the Ministry in driving across.

MAIT with the help of ICT industry is ready to assist Ministry of MSME in this initiative to scale the reach hence our request is that "DIGITAL MSME" Scheme should be more holistic with inclusion of devices along with services for adoption and success of the scheme.

Please find attached as Annexure our Recommendations towards changes in Guidelines-Digital MSME Scheme and EOI (Tender No. TCIL/02/79/ix/2014/D(T)/1 dated 24/04.2017).

We assure you our complete support in this regard and would request for **a meeting with your goodself at your earliest convenience** to enable us personally apprise you of the same.

With warm regards.

Anwar Shirpurwala  
Executive Director

## Digital MSME Scheme & EOI: Existing and Proposed Changes

Refer to	Existing	Proposed Changes
EOI - Cloud Computing Services, Page 1	A Memorandum of Understanding (MoU) has been signed between the Ministry of Micro, Small and Medium Enterprises and Telecommunications Consultants India Ltd. for implementation of Scheme namely Promotion of Information & Communication Technology (ICT) in MSME Sector (Digital MSME)". The prime objective of the scheme is to motivate MSMEs to adopt ICT Tools and applications in their production and business processes mainly through Cloud Computing Services with a view to improve their competitiveness in National & International Market at low cost on mass scale	"A Memorandum of Understanding (MoU) has been signed between the Ministry of Micro, Small and Medium Enterprises and Telecommunications Consultants India Ltd. For implementation of Scheme namely Promotion of Information & Communication Technology (ICT) in MSME Sector (Digital MSME)". The prime objective of the scheme is to motivate MSMEs to adopt ICT Tools and applications in their production and business processes mainly through Cloud Computing <b>Services and Computing Devices</b> with a view to improve their competitiveness in National & International Market at low cost on mass scale.
EOI - Cloud Computing Services, Page 1	The Telecommunications Consultants India Ltd. (TCIL) through this Expression of Interest (EOI) invites reputed Cloud Services Providers (CSPs) to express their interest in providing the cloud computing Services/Applications which are saleable and have demand in MSMEs sector.	The Telecommunications Consultants India Ltd. (TCIL) through this Expression of Interest (EOI) invites reputed Cloud Services Providers (CSPs) to express their interest in providing the cloud computing Services/Applications and <b>computing devices</b> which are saleable and have demand in MSMEs sector.
Guidelines – Digital MSME Scheme, Page 5, Section 2.03	For CLOUD based ICT applications through utility usage model, only the subscription and usage fee would be applicable. In other words, the rental charges (monthly, quarterly, yearly) may include all cost components viz. hardware, connectivity, software, maintenance, etc.	For CLOUD based ICT applications through utility usage model, only the subscription and usage fee would be applicable. In other words, the rental charges (Monthly, quarterly, yearly) may include all cost components required to use the service viz. <b>PC for accessing service, other hardware components, connectivity, software, maintenance, etc.</b>
Guidelines – Digital MSME Scheme, Page 7, Section 3.2, Para 2	Subsidy will be on cost of usage services which will be shared by the GoI and MSE. The infrastructure (Hardware, Internet etc.) for accessing the cloud computing will be the responsibility of concerned MSME unit.	Subsidy will be on cost of usage services which will be shared by GoI and MSE. The Infrastructure (Hardware, Internet, etc.) for accessing the cloud computing will be the responsibility of the concerned MSME unit, <b>if it is not bundled with the cloud services.</b>