



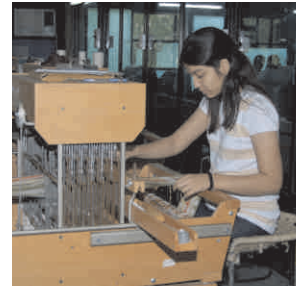
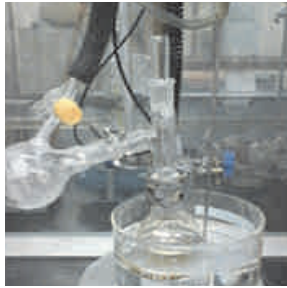
GOVERNMENT OF INDIA

GUIDELINES

Design Clinic Scheme for Design Expertise to MSME sector

A Component of
**National Manufacturing
Competitiveness Programme**

Development Commissioner
Micro, Small and Medium Enterprises
Government of India
Nirman Bhavan, New Delhi-110 108





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MSME

Micro, Small and Medium Enterprises
सूक्ष्म, लघु एवं मध्यम उद्यम

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Abbreviations

| | | |
|-----------|---|--|
| AP | - | Assessment Panel |
| DC (MSME) | - | Development Commissioner (MSME), Government of India |
| DPR | - | Detailed Project Report |
| GoI | - | Government of India |
| IPR | - | Intellectual Property Rights |
| MSME | - | Micro, Small & Medium Enterprises |
| MSME-DI | - | MSME Development Institutes, under DC (MSME) |
| NID | - | National Institute of Design Ahmedabad |
| NMCP | - | National Manufacturing Competitiveness Programme |
| PMAC | - | Project Monitoring and Advisory Committee |

1.0 Introduction

- 1.1 As part of the National Manufacturing Competitiveness Programme (NMCP), the office of Development Commissioner (MSME), Ministry of Micro, Small & Medium Enterprises, Government of India, will be implementing the Design Clinic Scheme for Design Expertise to Micro, Small and Medium Enterprises (MSME) Sector (hereinafter referred to as the Design Clinic Scheme) during the 11th Plan Period.
- 1.2 The objective of Design Clinic Scheme is to enhance the understanding and application of design and innovation in MSMEs. It aims to promote design as a value adding activity and integrating the same into the mainstream business and industrial processes of MSMEs. The scheme will be implemented in pursuance of the longer term goal of helping the manufacturing segment in the MSMEs move up the value chain from “original equipment manufacturing” through “original design manufacturing” to “original brand manufacturing”.
- 1.3 The overarching approach in implementing the scheme will be to bring Indian MSMEs and the design experts on a common platform. This will enable the MSMEs to access expert advice and cost effective solutions for their real time design problems, with some financial support from the Government. The expected outcome of such interventions are new product development or discernible design improvement and value addition for existing products. The total scheme budget will be Rs. 73.58 crore, out of which Rs. 49.08 crore will be Govt assistance and the balance amount will be contributed by the beneficiary MSMEs.
- 1.4 The National Institute of Design (NID), Ahmedabad has been designated as the nodal agency for the scheme.

2.0 Overview

- 2.1 Design is a structured creative process. In manufacturing, design is commonly associated with industrial product design - specifically the “look” of a product. However, the application of design is much broader, for example designing for aesthetic appeal, for ease of manufacture and for sustainability. Designing may be done for reliability or quality or business processes themselves. Service designs affect how customers will experience the delivery of a service, such as a bank or a fast food restaurant.
- 2.2 The larger purpose of design is to do things better, to improve a situation and to make a positive difference. The role of design in business is to create value. A company can use the design process to add value to products, services, and to the organization itself. A well-designed product, service, or organization is more valuable than a product, service, or organization that is not well-designed.

- 2.3 Design, innovation and growth are linked. Innovation and design are not simply about new products or technology. They are also about how to improve products in everyday use, leading to reduced costs, increased usability and new business opportunities. Design is recognized as an innovative discipline that can help MSMEs to sustain and grow in an increasingly competitive market.
- 2.4 Indian MSMEs produce a diverse range of products - from the simple products to those that are technically complex. With the rapid changes taking place in the business and technological environments, it is critical for the Indian MSMEs to keep pace with these changes. This, inter-alia, requires an innovative product development approach that ensures sustainability/ growth by retaining competitive advantage. The wider application of design by the MSMEs is expected to increase the value and competitiveness of their products.
- 2.5 The Design Clinic scheme will help MSMEs to avail independent and professional advice on all aspects of design. Practical support will be provided to MSMEs through seminars, workshops and one-to-one advice by design experts for new product development as well as enhancing existing product portfolio.

3.0 The Scheme

- 3.1 The Design Clinic Scheme will be guided by the following key principles:
- Rigorous, yet applicant friendly, process;
 - Promotion and dissemination of design concepts in regional/local languages understood by the MSMEs;
 - Establishing benefits without overwhelming the MSMEs;
 - Learning from other successful design support programs;
 - Establishing systematic processes for design and product development in MSMEs.
- 3.2 The purpose of the scheme is two-fold:
- * increase the awareness of the value of design and establish design learning in the micro, small and medium sized industries, and
 - * increase the competitiveness of MSME products and services through design.
- 3.3 The larger objective of the scheme is to create a sustainable design eco system for the MSME sector through continuous learning and skill development, and to promote use of design by MSMEs for developing products and services which are market led.
- 3.4 The focus of the scheme will be on building the design capability of MSMEs to enable them to improve business performance and to compete in the global market.

- 3.5 The scheme description is divided in two major parts, viz., Design Awareness and Design Projects.
- 3.5.1 Design Awareness: This will be done through seminars, workshops and Design Need Assessment Survey for the participant members of the selected clusters. These activities will help create general awareness and sensitization about the value and power of design for businesses.
- 3.5.2 Design Projects: The Design Need Assessment Survey will form the basis for further dialogue between professional consultants and individual units (or group of units) in the cluster for the preparation of project proposals for funding. The funding assistance will be provided to the MSMEs for engagement of design consultants and professionals and other admissible items under the project as per the guidelines.

4.0 Design Awareness - Seminars and Workshops

- 4.1 The purpose of these activities is to sensitize MSMEs about the usage of design in various facets of their industry.
- 4.2 A seminar will cover the design related topics in a broad way, with the intent to communicate the importance of design, its usefulness and its role in delivering business value. It would be delivered in lecture-style by one or more experts deliberating on a topic. The seminar will be followed by a Question and Answer session. A typical seminar would be of one day duration.
- 4.3 A workshop connotes a more focused study on design, with a well-defined “take-away” for the MSMEs. The total time allocated for each workshop is 3 - 5 days. This will begin with the experts visiting the cluster units and understanding the issues concerning the cluster. Thereafter, there will be a training on design clinic solutions delivered by an expert or a group of experts in an interactive manner. This will be followed by preparation of a Design Need Assessment Survey Report by the designated expert.
- 4.4 The Design Need Assessment Survey report will review the present state of the cluster, will identify areas of improvement and within that will identify specific areas which could be served by design intervention. The report will present how the design solution(s) will finally convert to a business solutions and will specify a preferred sequence of actions for the same. The report will also contain the details of workshop proceedings.
- 4.5 The conduct of seminars and workshops will be entrusted to industries associations, technical institutions or other appropriate bodies. The interested organizations may apply to the Design Clinic Centre. The applicant organization must demonstrate the expertise to deliver such a seminar or workshop and should support its application with similar previous experience.

- 4.6 On receiving the approval from the design clinic centre, the organization shall conduct the workshop or seminar and shall submit a report of the event at the end of it to the centre.
- 4.7 MSME-DIs of the Ministry of MSME will assist in organizing these workshops and seminars. MSME-DI's primary role will be to facilitate identifying clusters, advocacy with units in the cluster and motivating them to attend these workshops and seminars.
- 4.8 GoI contribution, not exceeding Rs 60,000 (Rs Sixty Thousand Only), will be admissible for the conduct of each seminar.
- 4.9 The GoI contribution for the conduct of a workshop (including preparation of the Design Need Assessment Survey report) will be to the extent of 75 percent of the cost incurred, the admissible costs being restricted to Rs 4,00,000 (Rs Four Lakh Only), (i.e. maximum assistance being restricted to Rs 3,00,000 only). The remaining amount will be contributed by the participating MSMEs.
- 4.10 The funding provided for the conduct of these seminars and workshops will cover all organizational, incidental and out of pocket expenses required for conduct of these events. The Government contribution under the scheme will be released in 2 installments to the implementing organisation / institution. Initially, 50% of the sanctioned amount from GoI will be released after approval of the proposal. The balance GoI contribution of 50% amount will be released after receiving the full contribution from the private units and based on the receipt of the Audited - statement of expenditure; final report etc. from the organization who conducted the workshop/Seminar.
- 4.11 NID will prepare a standard template for the seminars and workshops with clear identification of deliverables.
- 4.12 In addition to workshops and seminars being organized for the MSMEs, about five orientation workshops will be organized for the design consultants. The duration of the orientation workshop will be of one day. The purpose of the orientation workshop is to sensitize and orient the design consultants towards the purpose of design clinic scheme and issues concerning the MSMEs. NID will make necessary arrangements to organize these workshops for designers with the assistance of experts and professionals.

5.0 Design Projects

5.1. Objectives

- To facilitate access of MSMEs to design expertise in the form of consultancy;
- To facilitate MSMEs to develop new design strategies and/or design-related products and services through project interventions;
- Create visible impact and effectively develop the capabilities of the local enterprise

5.2. Applicability

- The applicability of design project funding is to an individual MSME or a group of MSMEs. In other words, the scheme permits a group of MSMEs based in an industrial clusters to come together and seek project funding for design improvement consultancy. For the sake of convenience, herinafter in these guidelines, the term MSME shall include a group of MSMEs also.

5.3. Financial Assistance

The Design Clinic Scheme shall provide financial assistance to support design work undertaken by individual MSMEs, group of MSMEs and student projects.

- 5.4 The beneficiary unit(s) must typically be micro, small or medium enterprises as per the definition in MSMED Act 2006. It must be new to using design and preferably should not have used internal or external design expertise before. The designer that a unit employs in this scheme should be selected from a pool of qualified designers empanelled for this scheme.

5.5 Need Analysis

MSME level need analysis will have to be conducted either as a follow-up of the cluster level workshop or as a stand-alone one-to-one exercise by expert and MSMEs. The MSMEs desirous of design intervention could get the Design Need Analysis conducted from a designer/design company / academic institution approved by Design Clinic Centre. In case they cannot locate a designer/design company / academic institution, they can contact the Design Clinic Centre for help. Design Clinic Centre on receiving the intent shall suggest designer / design companies / academic institutions from which the MSME can choose from and consequently also notify suggested companies / institutions. A template for design need analysis will be prepared by NID. The experts shall submit the report using the given template.

5.6. Consulting

Consulting develops detailed solutions, and helps the units to do and to learn by doing. The most important part of the consulting aspect is to convert design solution into a business solution. No design activity is complete without good business understanding or inputs relating design to business. In specific cases, an independent business evaluation could be commissioned to act as input for design consultant. Help from business consultant / management students could be incorporated at this juncture.

5.7. Project Proposal

Based on the need analysis and consulting outcome a detailed project proposal shall have to be prepared. This proposal shall include all aspects of the proposed project and the financial details. The proposal shall be submitted in the prescribed format for approval by the assessment panel of the design clinic Centre.

5.8. Design project Funding for professionals

- All applications for funding support for design projects under the Scheme must be in collaboration between a MSME requiring assistance in design and a designer / design company / academic institution which will provide that assistance.
- The funding support will be given by way of a grant upto a maximum of 60% of the total approved project cost or Rs. 9.0 Lakh, whichever is less, in case of a individual MSME or a group of not more than three MSME applicants.
- The funding support will be given by way of a grant upto a maximum of 60% of the total approved project cost or Rs. 15 Lakh, whichever is less, in case of a group of four or more MSME applicants.
- The applicant MSME (s) in the project is required to contribute at least 40% of the approved project cost as a matching fund.
- The matching fund for the project contributed by the applicant MSME 5 should be traceable and verifiable, such as in the form of cheque and/or bank pay-in slip.
- The funding grant will be reimbursed in 4 stages in 4 equal amounts. It shall be done in the following manner:
 - * Stage 1 – Strategy - 25%
 - * Stage 2 – Concept - 25%
 - * Stage 3 – Detail Design - 25%
 - * Stage 4 – Successful Implementation and completion report - 25%

5.9. Design Project Funding for Students

Most of the design education in the country being project based education, a portion of funding is earmarked to sponsor / support the student design projects. Each of these projects would result in detailed document including final design specifications and a model / prototype.

- The Design Clinic Scheme shall support design work by reimbursing 75% of expenses incurred subject to maximum of Rs 1.5 lakh for final year student projects done for MSMEs under the supervision of parent Design Institutions. MSME units contribution shall be 25% of the admissible cost.
- The admissible cost (estimated to be Rs.2 lakh) 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 by design clinic centre are eligible to apply for this funding.
- The funding shall only be available for final year dissertation projects, for under-graduate/post graduate or diploma course.

- The student will have to apply in a specified format through his / her academic institution and with the consent of MSME where he / she will be doing the project.
- The project work must culminate in to a report approved by the parent academic institution of the student and the MSME for whom the project work is done.
- The deliverables for the student project will be specified clearly by the Design Clinic centre.
- The funding grant will only be reimbursed to the students through institute.
- The funding grant will be reimbursed in 3 stages, in the following manner:
 - * Stage 1 – Application approval - 25%
 - * Stage 2 – Mid Stage (about 50% period completion) - 25%
 - * Stage 3 – Final Report Submission - 50%

5.10. Project Duration

- Design Project duration will be less than one year.

5.11. Eligible Applicant

- The local designer / design company / academic institution and the local MSME in collaboration are eligible to apply for funding support as co-applicants. An MSME with the consent of the Design company or academic institution, may submit an application as the principal applicant, subject to the following conditions:
 - * The designer / design company / academic institution and the applicant MSME have to be bodies or companies established or incorporated in India under the Indian Laws with on-going business;
 - * The applicant designer / design company / academic institution will be responsible for carrying out the design project;
 - * The applicant design, design company / academic institution and the applicant MSME in a project application must not be an associate or associated person or agent or employee of the other of them before submission of the application;
 - * The project team members representing the designer / design company / academic institution must not be directors / shareholders / management team members of the applicant MSME.
- Following are the criteria for qualifying the applicant MSME under Design Clinic
 - * The MSME should be a profitable entity in the last 3 years of its operations
 - * The MSME must demonstrate either an export performance or potential to export
 - * PMAC can stipulate / relax criteria for this purpose
- Following are the criteria for qualifying the co-applicant Designer / Design company under Design Clinic
 - * The Designer or the Design company or acclaimed institute should have demonstrated expertise and qualification in the problem area that it seeks to solve for the applicant MSME

- * It shall be the responsibility of the designer / design company to complete the project on time and as per agreed scope.
 - If the application is approved, the applicant design company / academic institution will become the recipient of the grant, and both the applicant design company / academic institution and the applicant MSME have to sign an agreement with the Design Clinic Centre to ensure that both parties are fully aware of the terms and conditions under which the grant will be offered.
 - For administration purpose, the MSME will be called the “principal applicant” and the Designer / Design Company / academic institution will be called “co-applicant”.
- 5.12. Project Budget
- The principal applicant is required to submit a budget proposed for the project, showing all expenditure and the relevant documents, such as quotation, project brief, or contract.
 - When preparing the project budget, the principal applicant is required to provide a brief description of the work steps involved, and the cost breakdown for such steps. Other information such as duration of time and manpower required (e.g. in man-days) will also be helpful. Unspecified cost items such as miscellaneous, sundry and contingency etc. will not be accepted.
 - A list of unallowable cost items which cannot be charged to the project account is set out in another point below.
 - Both the applicant design company / academic institution and the applicant MSME are required to declare in the application whether any or both of them have sought or are seeking funding support for the project from other public funding sources. Double subvention will not be allowed.
- 5.13. Plan for the Project Outcome
- The principal applicant is required to provide in the application a brief plan on how it will commercialise the project deliverables and preserve IPRs subsisting in the project deliverables and other project materials when discharging the project.
- 5.14. Project Coordinator
- In each application, the principal applicant should nominate a project coordinator.
 - If the application is approved, the project coordinator is responsible for overseeing the project generally; monitoring its expenditure and ensuring the proper usage of project funds in accordance with the approved project budget, this Guide and other instructions set for the project and answering enquiries.
- 5.15. Timing for Application
- The Design Clinic Scheme is open for applications throughout the year, unless notified otherwise.
- 5.16. Application Procedures
- Applications for the scheme can be made in multiple ways
 - Application can be made by the MSME with request for grant without a design company. In such cases Design Clinic Centre will suggest the possible design consultants to the MSME from which to choose from.

- Application can be by the MSME along with a Design Consultancy which satisfies the criteria given in here.
- Application can be by the SME along with an academic institution which satisfies the criteria given in here.
- Applications may be submitted to the Design Clinic Centre by way of electronic submission via the internet at the website.
- Each application can only cover one project.
- Applications not fulfilling required condition will not be considered.
- The applicants will be informed of the assessment result within 50 clear working days after receipt of full information.
- It is recommended that the applicants should plan ahead when submitting their applications and make sure that all requisite documents are submitted.
- No application fee will be charged.

5.17 Approval of Applications

- Approval of applications depends on their individual merits, and the funding limit set out above.
- The PMAC reserves the right to reject an application on grounds including:
 - * a petition is presented or a proceeding is commenced or an order is made or a resolution is passed for the winding up or bankruptcy of the principal applicant or the co-applicant; or
 - * a false inaccurate or incomplete statement or representation is contained in the application or a promise or a proposal is made knowingly or recklessly that it will not be able to fulfil or deliver such promise or proposal; or
 - * in the event of a claim alleging or the Government having grounds to believe that any thing(s) or material(s) to be designed or conceived or produced as part of the project deliverables infringe or will infringe any IPRs of any third party; or
 - * the principal applicant or the co-applicant is in default of its obligation(s) under other grant agreement with the Government whether or not in relation to the Design Clinic Scheme.

5.18 Resubmission

- A declined application may be resubmitted only if it has been revised substantially or if it has been able to produce additional information to address the comments made by the Assessment Panel in its earlier review. The differences of the resubmitted application should be set out clearly vis- à-vis the previous one.
- Any revised application will be treated as a new application.

5.19. Vetting Procedures

- Upon receipt of an application, the Design Clinic Centre will conduct a preliminary screening and may seek clarification or supplementary information from both the applicant design company/academic institution and applicant MSME.
- After screening, the Design Clinic Centre will submit the application together with its comments to an Assessment Panel for consideration.

- The Assessment Panel would comprise officials, professionals, industrialists, businessmen, designers, academics or other expert individuals. Its functions are to assess applications, make recommendations, and monitor approved applications.
- The applicant design company / academic institution and applicant MSME and its project team members may be required to attend assessment meetings to present their applications and answer questions.

5.20 Assessment Criteria

- In considering an application, due consideration will be given to the following factors, wherever applicable:
 - * to what extent the project can help integrate design into business process;
 - * to what extent the project can help transform design activity into tradable deliverables, be it product or service, that manifests exploitation and deployment in the form of intellectual property, which may comprise patent, copyright, know-how or industrial design;
 - * to what extent the project can add value to the products or services concerned and increase their competitiveness;
 - * to what extent the project can help commercialisation of new products or services and finding pathways to market;
 - * Whether the applicant design company / academic institution or the applicant MSME has been funded by the Design Clinic before and the amount of funding already granted for such previous projects.
 - * the overall planning and organisational structure of the project and capability of the project team i.e. the project team members' expertise, experience, qualifications, track record, and the resources available for the project;
 - * whether the proposed budget is reasonable and realistic, and whether the project has been funded or should be funded by other sources;
 - * how the design consultant will maintain relationship with MSME after the completion of the project; and
 - * any other relevant factors.
- The overall assessment criteria would be based on the measurable positive difference that a design intervention will bring to the MSME, either in absolute revenues (indicating higher profits) or in percentage terms.
- The Assessment Panel will submit its report to PMAC through NID giving recommendations on the approval or otherwise for the project. PMAC's decision will be communicated to the applicant (s) by NID.

5.21. Notification of Results

- The applicants will be informed of the assessment result within 50 clear working days after receipt of full information.
- If an application is recommended for grant, both the principle applicant and co-applicant concerned will be informed of the result together with any terms and conditions that may be imposed by the Assessment Panel in addition to the standard terms and conditions. They may need to revise their application accordingly before the application is approved.
- If an application is declined, reasons will be provided.

5.22. Withdrawal of Application

- The principal applicant and co-applicant can write to the Design Clinic centre to withdraw an application at any time before signing the grant agreement.

5.23. Grant Agreement

- For each successful application, the co-applicant designer / design company / academic institution will be the recipient of the approved grant but both the design company / academic institution and the applicant MSME have to enter into a grant agreement with the NID. The grant agreement will be signed between the NID and the applicants. NID will prepare an appropriate legal document (duly incorporating GFR provisions) for this purpose. The grant agreement shall contain (a) the terms as set out in the approval letter from the NID; (b) the terms and conditions; and (c) the project proposal in the format attached to the approval letter from the NID.
- As part of the documents required to support an application, the principal applicant for the project has to submit the contract entered into between the applicant designer / design company / academic institution and the applicant MSME certifying that the latter has engaged the former to carry out the project ("project contract"). The project contract should contain the terms and conditions of the engagement.

5.24. Disbursement of Approved Grant

- Disbursement of the approved grant will be made at each stage depending upon
 - * the submission of the periodic assessment report,
 - * evidence showing that the applicant MSME has duly paid up the matching fund as required,
 - * successful attainment of the stage as per the completion date specified or such other date that the NID may approve in writing,
 - * final completion report and the final audited financial statement in form and substance to the satisfaction of NID and complying with the requirements set out before, within 2 months after the project completion date specified in the project proposal or by such other date as the NID Centre may approve in writing, and
 - * due compliance with the grant agreement and the project contract by both the applicant designer / design company / academic institution and the applicant MSME.

5.25. Publicity and Acknowledgement

- The principal applicant shall provide the NID with details of the project achievements, if any, including creation of intellectual property in which IPRs subsist, successful marketing and commercialisation of the project deliverables and awards. The NID may from time to time disclose to the public details of such project achievements including announcing them on the web or publications or showcasing at exhibitions for publicity and reference.
- The applicants shall acknowledge the funding support under the Scheme in publicity / media events as well as in publications issued to promote the project. However, the NID reserves the right to require the principal applicant and / or the co-applicant to immediately cease and desist from using any promotional materials in which any reference to the NID / Government or Design Clinic Scheme is found.

5.26. Reporting Requirements

- The principal applicant will be required to submit 3 interim reports during the project including the details of performance of the project in a specified format. Specific dates of interim report submission shall be identified by the applicant in the funding application, and accepted by NID.
- The principal applicant will be required to submit a completion report including details of the results, performance and evaluation of the project.
- The interim report and completion report should be submitted together with:
 - * A financial statement on accrual basis on the financial position of the project audited by an auditor as arranged by the applicant designer / design company / academic institution being the fund recipient. The financial statement shall be submitted in accordance with the Notes for Auditors of Recipient Organisations issued by Design Clinic centre. Such financial statement shall contain an audited statement of the total expenditure and incomes of the project. A standard format will be provided and prescribed by the Design Clinic centre; and
 - * Evidence showing the contribution of the matching fund by the applicant MSME in cash (in the form of cheque and bank pay-in slip or other documentary evidence acceptable to the NID).
- The completion report and the final financial statement and payment evidence set out above shall be submitted within two months from the project completion date specified in the project proposal or by such other date as may be approved by the Design Clinic Centre
- The applicant designer / design company / academic institution and the applicant MSME are required to make presentation(s) of the outcome of their project to the Assessment Panel and to report the commercialisation status of the project deliverables.
- The applicant designer / design company / academic institution as the fund recipient shall keep all financial statements, books, and records of the project and receipts evidencing expenditure for the project for at least two years after completion of the project, or as otherwise specified by the Design Clinic centre within that two-year period, and allow for inspection at any time.
- Auditors appointed by Design Clinic centre may conduct an examination into the effectiveness with which the fund recipient has used the project funds. The auditors shall have a right of access at all reasonable times to all such documents or information in the custody and control of the recipient as he / she may reasonably require for conducting an examination holding or being accountable for any such document or information, such information and explanation as he / she considers reasonably necessary for that purpose. The auditor will report to the Design Clinic Centre and the Government the results of an examination conducted by him / her.
- Both applicants in the project will be required to complete and return a post-project evaluation questionnaire for their project to report on the achievements of the project in terms of bringing commercial opportunities for the applicant MSME, enhancing its competitiveness and adding value to its products and services.

5.27. Procurement Procedures

- The fund recipient shall ensure that all procurements for goods and services for the project will be carried out in an unbiased and fair manner. All quotations shall be kept for the Design Clinic Centre's inspection, if necessary.

5.28. Project Variation

- An approved project is required to be carried out strictly in accordance with its proposal appended to the grant agreement and the project contract. Any modification, amendment or addition to the project proposal or the project contract, including change of the project commencement or completion dates, key project staff, scope, methodology and budget, will require prior specific written approval by Design Clinic centre. Failure to comply with the project proposal and the project contract will entitle the NID to abstain from releasing the grant money to the applicant design company /academic institution regardless of whether it or the MSME applicant or both are at fault.

6.0 Scheme Implementation

6.1. Allowable Costs

The allowable cost for design work will generally applicable to the following items

- Need Analysis / Research – Internal / external agency / travel & stay / data recording resources / manpower / recruiting respondents
 - * Product
 - * Market
 - * User
 - * Trend
- Workshops / Seminars – travel & stay / data recording resources / team / skills / refreshments / infrastructure / time / process integration
 - * Generate new product ideas
 - * Tap new markets
- Concepts and iterations – Stationary / team / skills / infrastructure / time / software & hardware
 - * Sketching
 - * Renderings
- Soft mockups – Time / infrastructure / skills / team / materials
 - * Quick mockups for concept refinements
- Engineering – Time / Software & hardware / skills / team
 - * Data generation for prototyping and manufacturing
- Prototyping – Vendor / engineering support / team / skills / time / printing / transportation / materials
 - * Simulate functioning of the actual product

6.2. Unallowable Costs

- In general, grant to be made available by the Government through Design Clinic shall only be expended by the applicant design company / academic institution in carrying out the project in accordance with the budget set out in the project proposal. The grant monies shall not be used to cover:
 - * general administration, office and overhead expenses not directly related to the project;

- * production cost other than for prototype for demonstration purpose only;
 - * other incidental expenses, e.g. videoconferencing, local / overseas travelling, photocopying;
 - * entertainment expenses and any prizes, either in form of cash or other types of souvenir;
 - * costs related to prior / subsequent year(s) / period(s) adjustment(s); and
 - * capital financing expenses, e.g. mortgage and interest on loans / overdrafts.
- The fund recipients should consult Design Clinic Centre if they have any doubts about whether grant monies should be applied in discharge of a particular expenditure.

6.3. Apex Body

An apex body Project Monitoring and Advisory Committee (PMAC) will be formed with AS& DC (MSME) as Chairperson. In addition, experts will be drawn from areas including academia, VCs, financial institution, management, administration, concerned government departments, etc... The apex body will comprise of persons who are not likely to be the beneficiaries of this program. PMAC, in general, will have the following constitution: -

- I. AS&DC (MSME), Chairman
- ii. Joint Secretary, MSME, Member
- iii. Joint Secretary, NMCC , Member
- iv. Joint Secretary / Director DIPP, Member
- v. Director, NID, Member
- vi. Representatives from IITs, Design and other Institutions,
- vii. Members from designer fraternity,
- viii. Representatives from Industry,
- ix. Officer in - charge of the Scheme, in office of DC(MSME),
Member Secretary

The broad roles and responsibilities of PMAC will be:

- a) To review and approve the proposals of NID for the setting up of design centre and regional centres,
- b) To approve detailed procedure and strategy prepared by NID for the implementation of various components of the scheme,
- c) To approve proposals submitted by NID for conducting seminars and workshops,
- d) To review and approve panel of designers / design consultants / design institutions as per the recommendations of NID,
- e) To constitute Assessment Panel (s),
- f) To review and sanction design projects for individual MSMEs / group of MSMEs / students.
- g) To review and approve NIDs proposals in respect of orientation

workshop for designers / consultants, study of best practices, advertisement and publicity, etc under the scheme.

- h) To discuss and approve plan of action required for achieving the objective of the scheme.

6.4. Nodal Agency

- For effective, efficient and informed implementation of the scheme, National Institute of Design, Ahmedabad has been designated as the Nodal agency for the scheme.

6.5. Role of National Institute of Design (NID), Ahmedabad

- NID will be the Nodal agency for the scheme and will function as a link between the MSMEs and the Government (office of the DC (MSME)). It would also act as a single point of contact for the office of the DC (MSME).
- NID will setup design clinic centre at Delhi, for the effective implementation of the design clinic scheme. The centre will function as the headquarters and an initiator of all activities under the scheme.
- NID will facilitate setting up of 4 regional centres in association with suitable technical institutions / agencies for delivery of the scheme.
- The primary role of the NID would be to spread awareness and facilitate matchmaking between the Design Companies / Consultants and MSMEs.
- NID will empanel designers / design companies / academic institutions and submit the same to Apex Body for approval.
- NID would receive the applications from the individual MSMEs and group of MSMEs and it would put it up for the consideration of the apex body along with its recommendations.
- NID will recommend nominations for assessment panel for consideration and approval of the apex body (Project monitoring & advisory committee) under the chairmanship of AS & DC (MSME).
- NID will also organize orientation programme for design consultants, if decided by PMAC.
- The functionaries working as part of Design centres & Regional centres for the implementation of the scheme shall be governed by the Government of India Rules for the purpose of TA / DA / Boarding / lodging etc.
- The travels made by NID or other faculty related to this scheme will be approved & monitored by a Project Implementation committee, PIC (to be set up under the Chairmanship of Director /NID) which will have a member from office of DC (MSME) also. The expenditure approved by PIC will then be ratified in the next PMAC meeting on regular basis.
- NID shall not divert any part of the grant to any activity other than for which it has been sanctioned.
- NID will prepare illustrative promotional material in English and in regional languages for the scheme
- NID will setup an interactive website for the scheme
- NID will provide an intermediation platform. It will establish linkages with industry initiatives, government initiatives such as GITA, TIFAC, University Industry Council, etc
- NID will handle ethical issues concerning with the design clinics. It will remain unbiased and develop excellent understanding of design and other industry issues.

- NID would submit bi-monthly reports to the apex body on overall progress of the scheme. It would also raise exception reports, if any, as regards to any non-responsive behavior or non-satisfactory performance of any of the beneficiaries and the designers.
- For facilitating the smooth and faster roll out of the scheme at National level the total amount of GoI grant envisaged under the scheme will be periodically transferred to NID on the recommendation of the PMAC after assessing the progress of the funds already released and requirement submitted by the NID.
- NID would be responsible for maintaining a separate ledger account of funds of the scheme. This account shall be open for inspection by the C&AG of India, internal audit by PAO of Ministry of MSME or any officer appointed by the office of DC (MSME) for this purpose.
- NID would release the funds directly to the beneficiaries / designers against the reports on the basis of progress of implementation of the scheme and on the satisfactory performance of the respective Designers. It will also submit necessary utilization certificate in prescribed format (GFR – 19-A) to the office of DC-MSME.
- NID will function as a body in public domain and observe necessary economic measures as per the Government of India directives.
- NID will prepare a detailed annual report that clearly demonstrates value creation, and also lists down accurately the beneficiaries and the funds deployed for each project.
- NID will document all communications, results, reports, learnings properly for future use.
- NID will also take up any other activity relevant to the scheme implementation as decided by PMAC.
- NID shall endeavour to achieve the quantified and qualitative targets as approved by the PMAC.

6.6 Design Clinic centre

- The design clinic centre will be established for the effective implementation of the design clinic scheme. The centre will function as the headquarters and an initiator of all activities under the scheme.

6.7. Design Regional Centers

- Four nos. regional centers will be established by NID initially for the purpose of administering Design Clinics.
- The regional centers to be set up, will be decided by the PMAC, keeping in view the proximity of MSME clusters potential for Design Interventions.
- These regional centers will be operated by National Institute of Design through competent technical institutes / agencies.
- The regional centers will work under the guidance of Design Clinic Centre and will be monitored by the Design Clinic Centre.
- The specific role of the regional centers will be as given below
 - * to create general awareness and sensitization about the importance of design
 - * to conduct seminars for the MSME's
 - * to conduct specific training programs / workshops for the MSME's
 - * to facilitate and guide MSME's / Design Companies / Academic institutions with the design clinic application process

6.8. Assessment Panel

- An assessment panel will be formed by the design clinic centre
- The tenure of each assessment panel will be 1 year.
- From the second year onwards of Design Clinic the assessment panel shall also comprise of people from the earlier year beneficiaries.
- The Assessment Panel would comprise of designers and Industry experts.
- Its functions are to assess applications, make recommendations, and monitor approved applications.
- The assessment panel will have members / experts and they may be paid honorarium, etc. as per the Govt. directives as approved by PMAC.

END OF GUIDELINES

ANNEXURE – 1

APPLICATION FOR DESIGN CLINIC SCHEME FUNDING ASSISTANCE

(To expedite processing of your application, please ensure that the application form is filled up completely. Where information is not available or applicable, please indicate accordingly. Please enclose all supporting documents as requested in the form).

PART I – MSME DATA

1. General

(a) Registered name of company: _____

(b) Correspondence Address & Tel: _____

(c) Registered as (please tick):

Sole Proprietorship _____ Partnership _____

Private Limited _____ Others (please specify) _____

(d) Business Activity: _____

(e) Staff Strength & Brief Background of Key Executives: _____

2. Sales & Profits

(a) Sales Turnover & Profit for last 3 years (Please attach a copy of Financial Statements): _____

(b) Projected Sales & Profit for next 3 years (excluding current year): _____

3. Contact Person

(a) Name and Designation: _____

(b) Contact Details (Address, Email, Telephone Number, Mobile Number): _____

4. Has the MSME been granted any financial support from Design Clinic before? If yes, please list all project references and amount of funding involved. Please also list other Design Clinic applications of the MSME pending approval. _____

5. Has the owner/ partner/ director of the MSME been granted any financial support from Design Clinic in the name of another MSME? If yes, please list all project references. _____

6. Please provide any other supporting information (if any). _____

PART II – DESIGN COMPANY / ACADEMIC INSTITUTE DATA

1. General

(a) Name: _____

(b) Correspondence Address & Tel: _____

(c) Business / Academic Activity: _____

(d) Staff Strength & Brief Background of Key Executives / Academic Resources: _____

2. Design Expertise

(a) Experience & Expertise: _____

(b) Suitability of expertise to the applied project: _____

3. Contact Person

(a) Name and Designation: _____

(b) Contact Details (Address, Email, Telephone Number, Mobile Number): _____

4. Name & Designation of Consultant(s) (Please enclose CV of each consultant)

(a) _____

(b) _____

(c) _____

PART III – DETAILS OF PROJECT

1. **Title and Description of Project** (Please attach a copy of consultant's proposal and additional information if necessary): _____

2. **Objective(s) of Embarking on Project:** _____

3. **Marketing Plans for new Product:** _____

4. **Commencement Date:** _____ (dd / mm / yy)
5. **Duration:** _____ (man days)
6. Please provide a brief description of the work steps involved and the cost breakdown for such steps. Other information such as duration of time and manpower required (e.g. in man-days) will also be helpful. Relevant documents, such as quotation, project brief, or contract should be provided: _____

7. Please provide a brief plan on the commercialization of the project outcome: _____

8. Please indicate intention to seek intellectual property right of the project outcome (e.g. patent, registered design, copyright, trademark, etc.):
Yes: No:
Form of Intellectual Property: _____
9. **Budget required and Cost breakdown:**
Estimated Expenditure in detail: _____

Contribution by MSME: _____

Net Amount Requested: _____

PART IV – DECLARATION

I hereby declare that

- (a) All factual information provided in this application as well as the accompanying information reflects the status of affairs as at the date of submission. I shall inform the Design Clinic Centre immediately if there are any subsequent changes to the above information; and
- (b) The proposed project of the application is original and without any constituted or potential act of infringement of the intellectual property rights of other individuals and / or organizations.

Principal applicant

Authorized Signature with
Organization / Company Seal

Name of Signatory

Position

Name of Applicant
(Organization/Company)

Date (dd / mm / yy)

Co-applicant

Authorized Signature with
Organization / Company Seal

Name of Signatory

Position

Name of Applicant

Date (dd / mm / yy)

PART V – DECLARATION BY DESIGN CONSULTANT

I declare that:

- (i) (For consultant who is an individual, including sole proprietorships)
I am a third party consultant and I am not in the employ of the applicant or any company affiliated to the applicant or any joint venture partner or agent of the applicant.
- (ii) (For consultant which is a partnership/company)
We are a consulting business that is unrelated to the applicant. None of our partners/directors or shareholders or our consultants have any interest in or are in the employ of the applicant or any company affiliated to the applicant or any joint venture partner or principal or agent of the applicant.
- (iii) The facts stated in this application and in the accompanying materials with regard to the proposed consultancy project are to the best of my knowledge, true, complete and accurate and no material facts have been withheld or distorted.
- (iv) I/We have not given any monies, rebates, discounts, refunds, liquidated damages or any other payment, whether in cash or in kind, to the applicant or its directors or shareholders or any other person related to the aforesaid persons, in connection with the propose consultancy project, and there is no intention to give such monies, rebates, discounts, refunds, liquidated damages or payments.

SIGNATURE OF SOLE
PROPRIETOR/PARTNER/COMPANY
DIRECTOR/MD/CEO*

COMPANY STAMP

NAME

DATE

PART VI – DECLARATION BY MSME**I declare that:**

- (i) the company has not applied, obtained or will be obtaining any other tax/financial incentives for the proposed consultancy project;
- (ii) the company is free from any litigation to the proposed project; and
- (iii) the facts stated in this application and the accompanying information are true and correct to the best of my knowledge and that I have not withheld/distorted any material facts.

SIGNATURE OF SOLE
PROPRIETOR/PARTNER/COMPANY
DIRECTOR/MD/CEO*

COMPANY STAMP

NAME

DATE

ANNEXURE – 2

DESIGN CLINIC SCHEME

PROGRESS REPORT OF APPROVED PROJECT

PART I – Basic Information1.1 Submitted By (Recipient Organization / Company): _____
_____1.2. Project Title: _____
_____1.3. Project Reference: _____

1.4. Report Period:

From: _____ To: _____

PART II – Project Information

2.1. Consultant Name / Contact Person: _____

2.2. Project Coordinator (Name / Tel / Email / Mobile): _____

2.3. Commencement Date: _____ (DD/MM/YYYY)

2.4. Original target completion date: _____ (DD/MM/YYYY)

2.5. Revised completion date: _____ (DD/MM/YYYY)

2.7. Actual completion date: _____ (DD/MM/YYYY)

If the actual completion date is different from the original target completion date (or revised completion date, if any), please provide explanations

2.8. Updated abstract of the project: _____

PART III – Project Account

3.1. Financial Position:

3.1.1. Manpower Expenditure:

| Items | Budget Expenditure | Actual Expenditure for this report period | Remarks |
|-------|--------------------|---|---------|
| | | | |

3.1.2. Equipment:

| Items | Budget Expenditure | Actual Expenditure for this report period | Remarks |
|-------|--------------------|---|---------|
| | | | |

3.1.3. Other direct costs:

| Items | Budget Expenditure | Actual Expenditure for this report period | Remarks |
|-------|--------------------|---|---------|
| | | | |

3.2. Contribution by MSME: _____

3.3. Fund Received: _____

3.4. Balance required: _____

PART IV – Project Progress

4.1. Project Progress to date

(Please provide details on the progress regarding deliverables as set out in your proposal): _____

4.2. Feedback from beneficiaries of the project

4.2.1. For MSME: _____

4.2.2. For Consultant: _____

4.3. Problems encountered in implementing the project (if any): _____

4.4. Comments and Suggestions: _____

ANNEXURE – 3

DESIGN CLINIC EVALUATION FORM

The evaluation criteria are divided in 4 phases viz.

- Strategy,
- Concept,
- Detail Design, and
- Implementation

The phases are in accordance with the design stages. Evaluation at each of this stage is essential as each of the step informs the next step. The phases are identified with the payment schedule of the design clinic project assistance.

PHASE 1: Strategy

| Sr. no | Item | Comments | Rating / Max Rating |
|--------|------|----------|---------------------|
|--------|------|----------|---------------------|

Section A - Problem Identify

| | | | |
|----|---|--|-----|
| 1. | Research (existing products / materials ergonomic / anthropometrics / kinesiology, market trends sociological / psychological | | /15 |
| 2. | Research Analysis | | /15 |
| 3. | Design Brief criteria / needs methodology goals / challenges | | /20 |

Section B - Strategic Vision

| | | | |
|----|--|--|-----|
| 4. | Product's scope and market segment | | /5 |
| 5. | Market segment,s values <ul style="list-style-type: none"> • cultural, moral and aesthetic values | | /5 |
| 6. | Market strength <ul style="list-style-type: none"> • Is this product filling the market gap? • Addressable Market size & growth • Projected Market share • Current involvement of business with the market | | /20 |

PHASE 2: Concept

| Sr. no | Item | Comments | Rating / Max Rating |
|--------|--|----------|---------------------|
| 1. | Originality <ul style="list-style-type: none"> Shape of form of concept Inventive ideas and concept | | /15 |
| 2. | Aesthetics <ul style="list-style-type: none"> Beautiful Meaningful | | /15 |
| 3. | Ergonomics <ul style="list-style-type: none"> hazard and human error elimination; comply with human limitations (physical and perceptual); anthropometrical suitability (positions and movements); way of use - conspicuous from formal elements; complete compatibility displays - controls; reduce of annoyance caused by lights, noise or smell | | /15 |
| 4. | Functionality <ul style="list-style-type: none"> Not technical features of the product Contribution of elements of product language to the proper functioning of the product List of performance parameters from the product language (shape, texture, colour, sound etc.) point of view | | /15 |
| 5. | Marketability <ul style="list-style-type: none"> the final scope the market segment for which the product is addressed for Marketing strategy Resources for commercial production | | /15 |

| Sr. no | Item | Comments | Rating / Max Rating |
|--------|--|----------|---------------------|
| 6. | Manufacturability · Product's formal elements from a manufacturing point of view | | /15 |
| 7. | Category · New Product for New Market · New Product for Known Market · Known Product for New Market · Known Product for Known Market | | /10 |
| 8. | Overall Rating | | /100 |

PHASE 3: Detail Design

| Sr. no | Item | Comments | Rating / Max Rating |
|--------|--|--|---------------------|
| 1. | Functional - design object's state of being capable to function at required quality parameters. | functional / non-functional | /10 |
| 2. | Significance - property of design object to transmit by product language a message about itself | "high quality", "it suits me", "luxurious", "cheap", "expensive", "clever design" etc. | /10 |
| 3. | Human-scaled - property of design object of having a size comparable to a human. | minuscule / human-scaled / enormous | /02 |
| 4. | Balance - state of perfect organization of design object around a center | well-balanced / ill-balanced | /03 |
| 5. | Proportion - ratio of shape's dimensions | proportionate / disproportionate | /03 |
| 6. | Direction - direction of the maximum dimension of object | horizontal / vertical / neutral | /02 |
| 7. | Formal coherence - property of the product's formal elements to display concordance at several levels: size, shape, texture, pattern, color etc. | formal coherent / formal incoherent | /03 |

| Sr. no | Item | Comments | Rating / Max Rating |
|--------|---|--|---------------------|
| 8. | Prominence - property of form to stand out in its environment | prominent / non-prominent | /05 |
| 9. | Compactness - property of form to enclose a minimum volume, integrating all formal elements. | compact ...disperse | /05 |
| 10. | Complexity - degree of formal differentiation. | minimal ... complex | /05 |
| 11. | Elegance - property of design object of possessing a simple, yet expressive, shape and color palette. | elegant / simple / shabby | /02 |
| 12. | Accent - product's feature that stands out, by contrast, from the overall appearance. | [list of accented features] | /10 |
| 13. | Rhythm - repetition of similar elements that gives the impression of movement | [list of rhythmic elements] | /03 |
| 14. | Detail finish - quality of surfaces, coverings and joints | first-rate / rough | /10 |
| 15. | Form origin Abstract Natural | source used by designer for formal conception of his/her product geometric / organic nature-copied / stylized / nature-suggested | /02 |

| Sr. no | Item | Comments | Rating / Max Rating |
|--------|--|--|---------------------|
| 16. | Temporal orientation - the period taken as reference in development of industrial design. | avant-gardist / actual / traditional / retro | /02 |
| 17. | Designer's attitude - the way the designer expresses his / her intentions, expectations and feelings about his / her creation. | "sportive", "parodical", "playful" etc. | /03 |
| 18. | Originality - state of design object of being distinct in its class of objects | original / unoriginal | /15 |
| 19. | Familiarity / novelty ratio - factor for product's success. Its value varies for different classes of products | [best value according to class] | /05 |
| 20. | Overall Rating | | /100 |

PHASE 4: Implementation

| Sr. no | Item | Comments | Rating / Max Rating |
|--------|---|----------|---------------------|
| 1. | Prototype <ul style="list-style-type: none"> · User research / market test · Technical Testing, Manufacturing Plan, · Market Introduction Plan | | /40 |
| 2. | Project Assessment Objectives vs. realization Category <ul style="list-style-type: none"> New to the world product, New Product, Improvement to existing product, Addition to existing product, Cost reduction, Re-positioning | | /20 |
| 3. | Design Success <ul style="list-style-type: none"> · Hard measures could include profits, sales figures, contracts secured or number of units produced · Soft measures could include customer and supplier feedback, shifts in the consumers' perception, changes in market positioning, competitors' reactions and general reactions to the designs | | /40 |
| 4. | Overall Rating | | /100 |

ANNEXURE – 4

DESIGN CLINIC SCHEME COMPLETION REPORT OF APPROVED PROJECT

PART I – Basic Information

Submitted By (Recipient Organization / Company): _____

Project Title: _____

Project Reference: _____

Report Period:

From: _____ To: _____

PART II – Project Information

Consultant Name / Contact Person: _____

Project Coordinator (Name / Tel / Email / Mobile): _____

Commencement Date: _____ (DD/MM/YYYY)

Original target completion date: _____ (DD/MM/YYYY)

Revised completion date: _____ (DD/MM/YYYY)

Actual completion date: _____ (DD/MM/YYYY)

If the actual completion date is different from the original target completion date (or revised completion date, if any), please provide explanations

PART III – Project Account

Please attach the final audited financial statement

Expenditure: _____

Contribution by MSME: _____

Fund Received: _____

Balance required or returned: _____

Achievement & Deliverables: _____

Feedback from beneficiaries of the project

For MSME

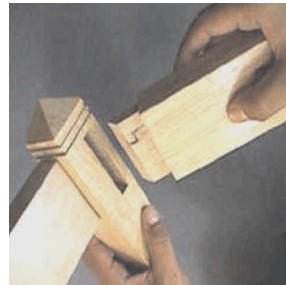
For Consultant

Problems encountered in implementing the project (if any)

Post Project actions (if any)

(Please list out any post-project action that is required)

Comments and Suggestions





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MSME

Micro, Small and Medium Enterprises
सूक्ष्म, लघु एवं मध्यम उद्यम

Development Commissioner,
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