



## GOVERNMENT OF KERALA

### Abstract

Industries Department – Scheme of Assistance for Export Promotion of Existing MSMEs – Administrative sanction accorded - Orders issued.

### **INDUSTRIES (B) DEPARTMENT**

G.O.(Rt)No.736/2022/ID Dated, Thiruvananthapuram, 21-07-2022

Read 1 Letter No.DIC/2096/2022-MA-M1 dated 23/05/2022 of the Director of Industries and Commerce.

2 Minutes of the meeting of the Departmental Working Group held on 28-06-2022

### **ORDER**

State Government have declared 2022-23 as the Year of Enterprises aiming to facilitate the setting up of One Lakh Micro, Small and Medium enterprises in the State. According to the statistics of the Directorate General of Foreign Trade (DGFT), the total value of exports from Kerala is only around Rupees 300 Billion which is 1.35% of the total exports from India. The present export volume from Kerala is only a small percentage of the total export potential of the state. Export promotion of existing MSMEs has therefore been formulated as a scheme with a view to increase the volume of exports from Kerala.

2) As per letter read above, the Director of Industries and Commerce, has submitted a detailed proposal of the Scheme namely 'Assistance for Export Promotion of Existing MSMEs and requested Government to accord administrative sanction for the scheme, the details of which are given below.

#### **I) Introduction/Background**

The scheme aims at providing incentives and hand holding to increase export volumes of MSMEs which export their goods and also to attract existing MSMEs to start exporting.

#### **II) About the scheme**

The scheme aims at providing to entrepreneurs.

- i. Subsidy for the installation of export related infrastructure.
- ii. Incentives to participate in national and international exhibitions
- iii. Incentives for taking quality certifications
- iv. Capacity building for exports and potential exporters.

### **III) Objectives**

- i. Promote export awareness
- ii. Easing the documentation process involved in exporting products/commodities and thereby motivating existing entrepreneurs to export their products.
- iii. Easing the financial burden faced by new MSMEs entering the export market.
- iv. Diversify exports in higher value-added segments and projecting “Kerala Brand”.
- v. Upgradation/ scaling up of existing export units.

### **IV) Eligibility**

All micro, small and medium enterprises engaged in manufacturing/service activities, set up in the State of Kerala and started exporting after 01/04/2022, which filed Udyam registration, shall be eligible for assistance under the scheme.

The assistance under the scheme can be used for the following purposes:

- i. Market identification: Extensive marketing campaigns need to be carried out to reach out to various markets abroad. For that the entrepreneur might need to attend various trade fairs abroad as well as to participate in international exhibitions to introduce his product. MSMEs also need to send numerous samples to familiarize his product and get approvals.
- ii. Development of export infrastructure: Existing MSMEs need to completely revamp their existing manufacturing process in order to be export ready. This begins from the stage of procurement of raw materials, testing for their quality, standardized preservation methods, mechanisms for pre-shipment treatment facilities such as irradiation, Vapour Heat Treatment (VHT), Hot Water Dip Treatment (HWDT) for compliance to Phyto-Sanitary requirements for importing countries, Post processing of the final products to ensure various quality

standards.

iii) Procuring quality standards/certifications: To participate/engage in international trade, it is necessary to comply with certain quality requirements of different countries. Several importing countries demand adherence to stringent product standards like TSO 9000/BIS 14000/HACCP/Halal and other related certificates.

## **V) Entitlement**

i) MSMEs attending trade fairs and participating in exhibitions shall be eligible for assistance upto 75% of the admission/registration charges limited a sum of Rs.2 Lakhs and 50% for travelling expenses per organization subject to a ceiling of Rs.1 Lakh.

MSMEs which intend to avail the assistance shall obtain prior sanction for participating in the event from the General Manager, DIC concerned. The assistance shall be reimbursed to the account of the beneficiary on submission of relevant documents to ascertain stall charges and relevant travel documents Air freight/courier charges incurred while sending trade samples limited to Rs.2 Lakh/product subject to Rs.5 Lakh/MSME shall be reimbursed to the beneficiary upon submission of relevant documents to ascertain air freight/courier charges.

ii) The assistance for Infrastructure development or upgradation, for export purpose will be limited to 40% of expenditure incurred subject to a ceiling of Rs.60 Lakh. Additional support of 10% will be extended to units falling under Young/SC/ST/Women/NRK subject to a ceiling of Rs.10 Lakhs. The norms prescribed in the guidelines of Entrepreneurship Support Scheme shall be used to calculate eligible fixed capital investment.

iii) 50% of the total cost incurred for the implementation and certification of 'Quality and Food Safety Management' limited to a maximum of Rs.5 Lakh per certification shall be reimbursed to the beneficiary upon the submission of relevant proof of certification and costs incurred in the process. Assistance shall be available for units applying to renewal of certification also. Total assistance shall be limited to a maximum of Rs.25 Lakhs per unit.

## **VI) Training**

10% of the funds available for the scheme shall be set aside for conducting capacity building training, workshops, seminars and any other activity to improve the export potential and value of MSMEs in the state.

## **VII) Sanctioning/ Recommending Authority**

i) The power to sanction assistance under the scheme shall be vested with the General Manager, District Industries Centre.

ii) The recommending authority, Assistant District Industries Officer shall request and accept further documentation or clarification required from the applicant, associated agencies or stake holders of other departments.

### **VIII) Implementation procedure**

- i. Application shall be submitted to the recommending authority concerned with all supporting documents.
- ii. On verification of the submitted documents, applications will be forwarded to the sanctioning authority.
- iii. The application will be processed by the Sanctioning Authority and the assistance will be sanctioned based on merit.

### **IX) Obligations of the applicant**

- i) The applicant shall provide all required details and declare such information as to be true.
- ii) The applicant shall provide clarifications or further details sought by the recommending/sanctioning authority.
- iii) The applicant shall allow inspection or verification regarding any details mentioned in the application including plant and machinery and all other assets if so required by the recommending/sanctioning authority.
- iv) The applicant shall produce originals of any important documents if so required by the recommending/sanctioning authority for verification.
- v) The applicant shall execute requisite legal agreement online and if required on paper as and when the proposal is approved for implementation and furnish the signed hard copy subsequently via post or otherwise.
- vi) The applicant shall utilize the amount received only in the matter agreed upon.
- vii) The applicant shall operate the unit as stipulated in the agreement in which the quantum of support received failing which the assistance shall be resumed by restoring the provisions of the Kerala Revenue Recovery Act.
- viii) The applicant unit after availing the assistance shall furnish copies of balance sheets, valid license from Local Self Government, electricity bills, performance particulars in the prescribed proforma etc every year till the stipulated period before 31<sup>st</sup> December of the next financial year, as proof of their functioning to the notified authority.
- ix) The applicant shall submit Annual export returns to the General Manager, DIC concerned for 5 years from the date of availing assistance.

## **X) General provisions**

- i. The assistance under the scheme shall be released to the eligible entrepreneur by bank on a pro-rata basis.
- ii. All applications for assistance under the scheme shall be submitted by the applicant and produce the originals along with details before the Recommending Authority.
- iii. The Officer while accepting the application form should examine whether all necessary details have been furnished. If any information is found inadequate, the same should be intimated to the applicant unit both electronically and otherwise and grant 10 days time to rectify the defects.
- iv. The assistance shall be disbursed by sanctioning authority through the financing institution which has financed the unit on their executing an agreement with the sanctifying authority in the prescribed format.
- v. Industrial units which receive the assistance will be under obligation to remain working continuously for five years from the date of receipt of grant. However, it is necessary that the unit shall be a working one as on date of release of the assistance.
- vi. The unit shall not have availed any grant assistance earlier under any scheme of Government of India or Government of Kerala or Local Self Government Department, for the same purpose.
- vii. The Director of Industries and Commerce shall have the full authority to prepare application forms, form of agreement and any other formats required for the proper implementation of the scheme and to make sub-rules, check list, if any, required.

## **XI) Appeals**

Appeals shall be filed before the Director of Industries & Commerce within 30 days from the date of issuance of orders of the General Manager, District Industries Centre concerned. No appeal after this period will be entertained. The appeal shall be disposed of as far as possible within 3 months from the date of receipt of appeal after giving the appellant an opportunity of being heard whenever necessary.

## **XII) Recoveries & Penalties**

Any assistance under the scheme to an industrial unit is liable to be refunded by the unit with interest at the rate of 14% per annum from the date of receipt of the same, on issuance of registered demand notice to the unit by the Recommending/Sanctioning Authority on ground of obtaining assistance by misrepresentation, forgery or deception or not found working continuously

for 3 years from the date of receipt of grant. All amounts due to Government under this provision shall, in case of default, be recoverable as if they are arrears of land revenue under the provisions of the Kerala Revenue Recovery Act, 1968 or in such other manner as Government may deem fit. Sufficient opportunity to show cause in writing shall however be granted to the units before a demand rose against it.

3) The Departmental Working Group in its meeting held on 28/06/2022 has considered the proposal and recommended to issue administrative sanction for the scheme of Assistance for Export Promotion of Existing MSMEs for an amount of Rs.100 Lakhs (Rupees One Hundred Lakhs only) under the Head of Account 2851-00-102-07(2)-34-3 from the current year's budget provision.

4) In the circumstances, Government have examined the matter in detail and are pleased to approve the scheme namely Assistance for Export Promotion of Existing MSMEs as proposed by the Director of Industries and Commerce as per letter read above and as detailed above and to issue administrative sanction for this scheme at an amount of Rs.100 Lakhs (Rupees One Hundred Lakhs only) under the Head of Account 2851-00-102-07(2)-34-3 from the current years budget provision.

(By order of the Governor)  
SUMAN BILLA  
PRINCIPAL SECRETARY

To:

The Director of Industries and Commerce, Thiruvananthapuram

~~The Chief Executive Officer, K-Bip, Thiruvannthapuram~~

The Principal Accountant General (Audit /A&E), Kerala,  
Thiruvananthapuram

Planning & Economic Affairs Department

Finance Department

Industries (J) Department

The Information and Public Relations (Web and New Media) Department

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Signed by Anil Kumar P  
Date: 21-07-2022 15:55:34

Section Officer