



Dept. of MSME & Export
Promotion, Govt of UP

Knowledge Partner



विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF
FOREIGN TRADE

Districts
as Export Hubs



Building a better
working world

Preface

This district export plan for Banda District is being prepared as a part of Developing District as Export Hub under the District Export Hub Scheme initiated by the Ministry of Commerce & Industry, Govt of India, and state Government of Uttar Pradesh. Hon'ble Prime Minister in his Independence Day Speech on 15th August 2019, had, inter- alia observed that each of our district has a diverse identity and potential for targeting global markets and there is a need for converting each district into potential export hubs. In order to implement Hon'ble PM's vision for each district, Department of Commerce has mandated the Directorate General of Foreign Trade to work with State Government and District Level authorities to promote the Banda district as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Banda under the chairmanship of District Magistrate. With the said objective, 'District Export Action Plan' has been prepared and being presented to concerned stakeholders.

The report encompasses in-depth information on Banda's geographic, demographic, and administrative profile, along with key statistics of prominent exporting products of district, gaps identified basis diagnostic survey, recommendations proposed to mitigate the gaps and action plans required to implement those recommendations.

The report provides insights into exports from the cluster, via analysing exports over the last five years from India and UP for the respective product. The report also shares insights on availability of raw material, technology upgradation, infrastructure, designing, packaging, access to finance, skill development etc. Besides the detailed action plans, the timeline and responsibility matrix has also been defined with implementation schedule to give implementation roadmap of the product.

For this desired purpose, an extensive primary and secondary research was conducted. The report has been prepared in co-ordination with the Office of DGFT, Kanpur and Uttar Pradesh Export promotion Bureau (UPEPB). The data has been sourced from multiple avenues, including but not limited to data provided by office of DGFT, Kanpur, UAM data (2019), DICs, 2011 Census of India, Diagnostic Study Reports, stakeholder consultation and several other secondary resources.

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1. Vision of Districts as Export Hubs

“Each district of our country has a potential equal to that of one country, each of our districts has the capacity equal to a small country in the world. why should each district not think of becoming an export hub? Each of our districts has a diverse identity and potential for global market”

- **Honourable Prime Minister of India, Shri Narendra Modi**

Foreign trade from India constitutes of 45% of its GDP.¹ Until 2019, only the central government was engaged in the decision making of foreign trade, without any participation or involvement of state and/or district stakeholders. However, now, understanding that there are diverse elements that contribute towards an enabling and conducive foreign trade environment; the central government has identified that with policy & strategy, active support of the state governments and district administrations are also equally required.

Thus, to decentralize the existing activities, to boost local production & its exports and to ensure active participation of state & district stakeholders, vision of district as export hubs was put to action. Department of Commerce, through Directorate General of Foreign Trade (DGFT) is working with the State / UT Governments to achieve this objective.

DGFT and UPEPB have aimed at synergising their efforts to identify the key products, export trends and challenges. Further in order to minimize the challenges, quantify the exports and outline export strategy; a detailed district-wise Export Action Plan has been made for all 75 districts of UP, where EY has contributed as Knowledge Partner.

2. District Profile

Banda is one of the districts in the Bundelkhand region of Uttar Pradesh of great historic importance. It is famous for its Shazar stone which is used for making jewellery. The district is also well known for the magnificent architectures like the sites Khajuraho and Kalinjar. Khajuraho is a World Heritage Site famous for its elaborately carved temples. The fortress of Kalinjar is famed for its war history and its glorious rock sculptures.

The district is said to be the birthplace of the great ancient poet Valmiki who has written the immortal epic Ramayana in Sanskrit language. His ashram at Lalapur Bagrehi hills was one of the ancient centers of Vedic Learning.

2.1 Geography

District Banda is located in geographical extends between 24° 53' to 25° 55' N latitudes and 80° 07' to 81° 34' E longitudes. The total geographic area of the districts is about 4460 Sq.km.² The district forms part of the northern fringe of the peninsular India coming in contact with the Gangetic alluvium. North side of this district is bounded by Fatehpur district, west by Mahoba, east by Chitrakoot and south side bounded by State of Madya Pradesh

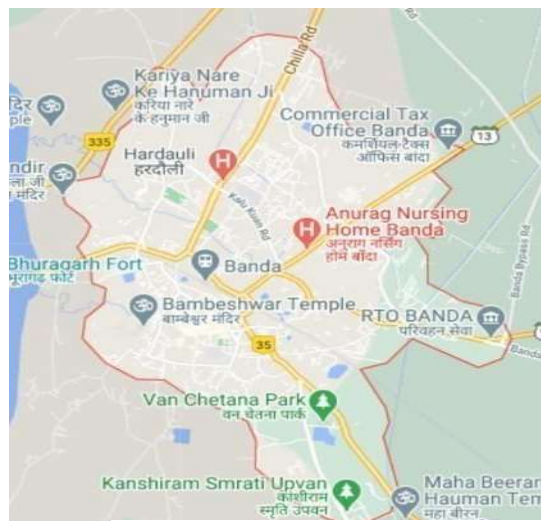


Figure 1: Banda district

¹ <https://commerce.gov.in/wp-content/uploads/2021/03/Developing-Districts-as-Export-Hubs.pdf>

² <http://dcmsme.gov.in/old/dips/banda.pdf>



2.2 Topography & Agriculture

The district largely consists of irregular uplands with outcrops of rocks intermingling mostly with lowlands, frequently under water during rainy season. The Baghein river traverses the district from southwest to north-east. The tract lying to the right of the river is intersected by numerous smaller river and rivulets, but to its left is a flat expanse, most part of which is made up of Mar and Kabar soils, eroded and converted into ravines along the banks of the rivers Ken and the Yamuna.

The economy of the districts is predominantly agricultural. The main crops grown are: Wheat, barley, gram, linseed, mustard, Masoor, Peas, etc. during Rabi and paddy, Jowar, Bajra, Til, Moong, Urd, Arhar, Sanai, vegetables, etc. during Kharif season.

The following table depicts the land utilization pattern of the district: ²

Parameter	Description
Total Area	4,460 Sq. Km.
Forest Cover	5,421 hectare
Non-Agriculture Land	30,622 hectare
Barren & uncultivable Land	11,588 hectare

3. Industrial profile of the district

The district fosters around **3,730 industries** that employ around **11,631²** across sectors including, **Agro-based, ready-made garments and hosiery, wooden and wood-based product, others stone crusher, handicrafts, transport agencies** etc.

The following are the prominent type of industries in the district ²:

Industry	Functional Units	Employment ³ (Nos)	Investment (INR lakh)
Wood/wooden based furniture	58	174	17.5
Readymade garments & embroidery – Zari-zardozi	80	240	64
Agro based	425	1062	340
Others (Stone Crasser; handicrafts, Computer based Industries, transport agencies etc.)	1675	5679	405.13

In order to boost the industries within the district, the district administration has established few industrial areas to facilitate the production process of various industries/ sectors. The following are the details of the existing industrial areas in the district: ²

Table 1: Industrial area details

Name of Industrial Areas/Industrial Estate	Land acquired and developed (In Acres)	No of Plots/ sheds	No of allotted Plots	No. of Units in Production
Industrial Estate, Banda	8.86	14 Plots 8 Shed	14 Plots 8 Shed	09 Plots 08 Shed
Industrial Area, Bhurgar	99	177	120	08

³ Registered Employees of the cluster

Total	107.86	191 Plots 08 Shed	191 Plots 08 Shed	17 Plots 08 Shed
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3.1 Major Exportable Product from Banda

Table 2: Major exportable product

S. No	Product	Export value (in INR) from September 2020 to November, 2021
1	Shazar Stone	Indirect Export from Banda
Total export from Banda		-

4. Product 1: Shazar Stone

4.1 Cluster Overview

The cluster producing Shazar stone in Banda district is a unique cluster as the product is not available anywhere in the world. Moreover, the process required for exploring and finishing of Shazar stone is one of its kind.

Banda District is a renowned place where from last 300 years the Shazar Craft is being undertaken.

The key facts of the cluster is given alongside;

Key Facts

350 artisans

~ 16 to 20 Units

INR 1 Cr: turnover

INR 5 Lakhs Average investment in P&M

Indirect Export to UK, Saudi Arab, Dubai

4.2 Product profile

Shazar stone is known to be the nature's gift to mankind, this stone is termed as a geological wonder with very high geological value in a sense that at volcanic age of earth the liquid minerals (mostly manganese and iron) get deposited in the layer of silicon oxide in such a way that they create multiple patterns like shurbs, trees, animals etc., giving each stone a different pattern and thus making it unique. Geologically it is of Quartz family in the category of "AGATE" with hardness of 7 in mho's scale near to gems like Topaz and Sapphire.

An ordinary useless looking pebble when cleaned and polished by highly skilled artisans becomes a beautiful Shazar Stone.

These stones are found only in Ken River, in the banks of Banda city and in the holy river Namada near Hoshangabad in Madhya Pradesh, but the craft related to Shazar is only situated in Banda district.

4.2.1 Product Portfolio

The existing products range includes:

- ▶ Jewellery
- ▶ Statues
- ▶ Handicrafts

4.3 Cluster Stakeholders

- ▶ Artisans

- ▶ Suppliers of Shazar Stones
- ▶ Makers of the finished products
- ▶ Wholesalers/distributors/retailers

4.3.1 Industry Associations

The cluster has no active industry associations in the district however, DC(Handicrafts), UPHDMC support the craft at state level to facilitate the craft's promotion, production and marketing at a small scale.

4.4 Export Scenario

4.4.1 HS code

Table 3: HS code

HS Code	Description
680299	Monumental or building stone, in any form, polished, decorated or otherwise worked (excluding calcareous stone, granite and slate, tiles, cubes and similar articles of subheading 6802.10, articles of fused basalt, articles of natural steatite, ceramically calcined, imitation jewellery, clocks, lamps and lighting fittings and parts thereof, original sculptures and statuary, setts, curbstones and flagstones)

Current Scenario

Shazar Stone is obtained from Ken River which flows in the west of Banda district Bundelkhand region. From obtaining the Shazar stone to trimming and shaping it, the craft involves a lot of hard-work and expenditure. This stone is used for making jewellery and other decorative items.

In order to analyze export data of Shazar stone craft, HSN code 680299⁴ has been used which pertains to category of 'Other Precious Stone. It has been noted that China, Brazil, Italy and India are the top exporters of the product.

4.5 Export Potential

The below figure shows the key importers of this product for the above mentioned HS code:⁵



⁴ UP's export analysis undertaken via http://www.dgcisanalytics.in/dgcis/EXIM-Analytics#/home?_g=0 while the rest is from Trademap.org for code 682099

⁵https://www.trademap.org/Country_SelProduct.aspx?nypm=1%7c%7c%7c%7c%7c680299%7c%7c%7c6%7c1%7c1%7c1%7c1%7c2%7c1%7c1%7c1

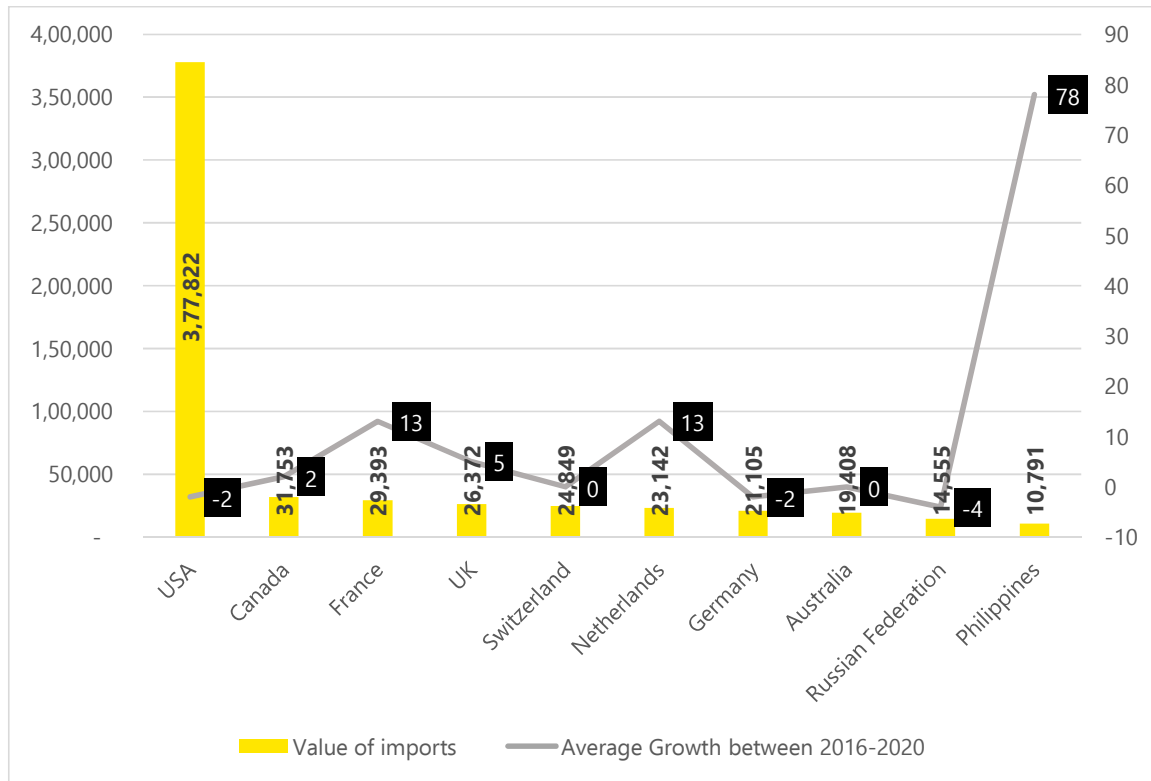


Figure 2: Key countries importing the product and their average growth rate

The potential markets for India and the cluster to tap have been identified as follows based on Signed FTAs, High Growth Markets, Untapped Potential the countries which India is exporting but UP isn't. Thus, the following countries should be targeted to increase the sales and turnover of the cluster:

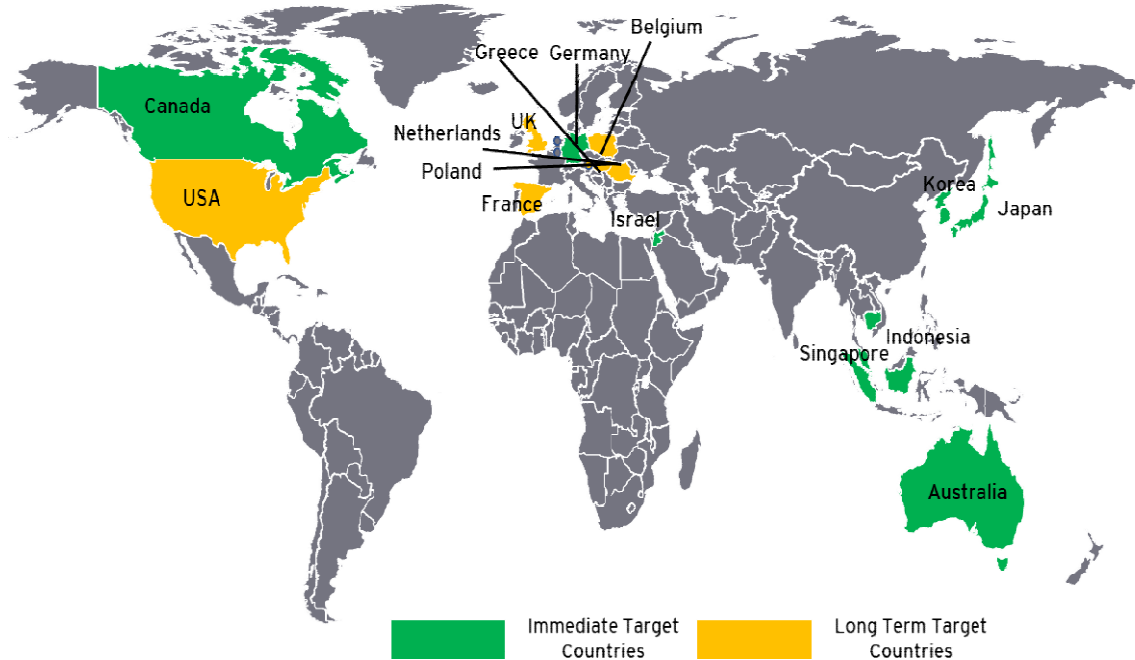


Figure 3: Potential Markets for expansion



4.6 Potential Areas for Value Added Product

The cluster actors/ stakeholders can divert their focus on creating products like **cufflinks, coasters, jewelry box, incense stick stands, flower vase** etc. These additional product range could help expand the existing market of the cluster by catering to a larger audience

4.7 SWOT analysis

Table 4: SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> ▶ The product is unique and one of a kind which is its USP ▶ The art and artisans have linkages to ancient India ▶ The artisans found in the cluster are skilled in the craft and have the knowledge required to undertake the production process as per traditional methodologies 	<ul style="list-style-type: none"> ▶ Financial limitations force the artisans to undertake alternative jobs as the required working capital is hard to generate. Moreover, being from rural background with limited educational qualifications, the artisans are often denied loans and/ or don't opt for formal sources of finance ▶ Poor understanding of marketing strategies and its applications ▶ Poor knowledge in latest technologies and tools which could increase efficiency
Opportunities	Threats
<ul style="list-style-type: none"> ▶ Potential to tap national and international markets through focussed marketing and promotions ▶ The stone is of religious importance and can be promoted further keeping in mind the religious sentiments of the people ▶ With the advent of information and communication technologies new products and designs can be made available easily. ▶ Potential for product diversification ▶ The existing schemes and policies foster traditional business 	<ul style="list-style-type: none"> ▶ The decreasing availability of raw material ▶ Market has multiple alternatives based on audience's requirement

4.8 Challenges and interventions

Table 5: Challenges and Interventions

Parameter	Challenges	Intervention
Raw Materials	<ul style="list-style-type: none"> ▶ The cost of raw materials available locally is 5 times in comparison to material available outside the city or state. The cluster actors do not have money to purchase raw material at these rates ▶ The price of raw material is very high (between 1000-3000 per Kg). So, 	<p>Soft intervention:</p> <ul style="list-style-type: none"> ▶ Creating awareness and promoting daily wage artisans to leverage working capital loans from the banks to procure raw materials

Parameter	Challenges	Intervention
	<p>working capital requirement for purchase of Shazar stone is around INR 100,000 which is often an amount which the cluster actors face trouble in raising</p> <ul style="list-style-type: none"> ▶ Moreover, the cluster faces a lot of challenges in procurement of the required raw materials due to the lack of availability 	
Manufacturing process	<p>Design:</p> <ul style="list-style-type: none"> ▶ About 90% of the artisans manually design their products ▶ The artisans are unaware of softwares which can simplify the designing process ▶ The cluster strategy to diversify the product range <p>Production:</p> <ul style="list-style-type: none"> ▶ Advanced machines are not available for the artisans to complete the production process efficiently ▶ The artisans are stringent to old methodologies and completely neglect upgradation in terms of technology <p>Finishing and quality control</p> <ul style="list-style-type: none"> ▶ No checks and balances are made on the quality of the product which hampers the sales and potential to export ▶ Unaware of global standards and quality ratings ▶ Only exporters try to maintain the quality standard of global market based on customer's demand <p>Packaging</p> <ul style="list-style-type: none"> ▶ There are no proper packaging facilities in the cluster and nor do the cluster actors follow sustainable standardized packaging techniques 	<p>Hard intervention</p> <ul style="list-style-type: none"> ▶ Establishment of a technology led common production centre with latest machinery like Hammer, Trim saw, Diamond fester, Sansi, Flat Lap, Horizontal Lap, Grinding Machine, Polishing Machine, Tub, Plate, and Stone Cutting machine, Silicon Car Border and Drum Machine and CAD/CAM for designing. These machines will help automate and amplify the production <p>Soft Interventions:</p> <ul style="list-style-type: none"> ▶ Leverage government schemes which provides financial assistance for technology upgradation (viz. ODOP margin money scheme etc.) ▶ Collaboration with design institutes for design inputs and trainings on trend forecasting and support in product diversification ▶ Collaboration with QCI for defining quality standards of Shazar stone products so that their quality can be maintained ▶ Collaboration with IIP to improve the packaging standards and to help the artisans learn sustainable packaging techniques
Branding and Marketing	<ul style="list-style-type: none"> ▶ Decreasing demand in domestic market ▶ Unavoidable dependency on wholesalers and traders ▶ Offline marketing is broadly used while online marketing is completely neglected in most cases ▶ Lack of long-term contracts to sell the product ▶ Lack of focus on branding and marketing the product 	<ul style="list-style-type: none"> ▶ A documentary film should be developed to highlight the history and the production process of shazar stone craft ▶ Collaboration with e-commerce companies like Amazon, Flipkart etc. ▶ To increase the demand and generate awareness of the unique craft, the product should be recognized as a GI tag product given its historic

Parameter	Challenges	Intervention
	<ul style="list-style-type: none"> ▶ Limitations in knowledge of the cluster actors hinders them to expand the market/ reach 	<p>importance. Thus, efforts should be made to initiate the registration and undertake the necessary steps</p> <ul style="list-style-type: none"> ▶ Banda is one of the districts with heavy tourist footfall. Hence, the cluster actors should envisage to tie-up with local souvenir shops around Kalinjar Fort, Bhuragrah Fort, Bamdev Temple, Navab Tank Banda, Maheshwari Devi Temple ▶ Conduct awareness workshops at block level to create awareness about schemes like International Cooperation (IC), Market Assistance Scheme (MAS) etc. which provides assistance to individuals/ associations wishing to participate in marketing events ▶ The DGFT/FIEO can set targets for participating in events per year. Example: Participation in at least 3 international events for this sector every year to create foreign linkages and increase
Skilling	<ul style="list-style-type: none"> ▶ Majority of the labor force engaged has gained the required skills through traditional learning hence they are unable to upgrade ▶ Low acceptance of formal skill training and negligible recognition to trained and certified worker in terms of wages ▶ The trainings conducted by DIC is often not enough for the artisans for upgrading themselves. 	<ul style="list-style-type: none"> ▶ Collaboration with NSDC for providing job-oriented training for skilling and upskilling under various parameters like marketing, production process, designing, accounting entrepreneurship etc.. ▶ Maximizing leveraging of skill upgradation schemes such as the ODOP Skill Development Scheme, Entrepreneurship and Skill Development Programme (ESDP) DDUGKY scheme, 'Seekho aur Kamao' and Uttar Pradesh Skill Development Mission for skilling and upskilling of artisans
Export	<ul style="list-style-type: none"> ▶ Limited knowledge in export and import related information/ documentations ▶ Unaware of potential markets ▶ No focal point to address exporters ongoing issues hence its often a hesitation for budding exporters 	<ul style="list-style-type: none"> ▶ Sensitization and facilitation in availing Import/ export document ▶ Creation of an event calendar comprising of events to be conducted in a Financial Year with a focus on international marketing events. ▶ Sensitization of cluster actors: <ul style="list-style-type: none"> ▶ The individuals of a cluster should be sensitized on the plethora of schemes available for them for maximizing the potential of exports. Merchandise Exports from India Scheme, Service Export from India Scheme etc. provides various exemptions for facilitating exports.

Parameter	Challenges	Intervention
		<p>Further, schemes like Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials</p> <ul style="list-style-type: none"> ▶ Currently, majority of the exporters and traders focus on selling their goods to USA, UK, and European countries without correctly analysing the demand market. Thus, these cluster actors should be sensitized on target countries identified through export analysis mentioned in DAPs and EAP. DIC and FIEO can play a pro-active role in this regard. 10% increase in every year in the number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target under this segment ▶ DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.
Access to finance	<ul style="list-style-type: none"> ▶ Artisans have limited financial literacy hence they face problems in obtaining loan, ▶ Bank does not provide loan to the artisans in most cases due to lack of documents or steady income documentations ▶ Tedious paperwork and long waiting time of banks usually persuade artisans from not taking financial support from Banks ▶ Artisans and unitholders are not aware schemes and policies of banks, state government and central government. 	<ul style="list-style-type: none"> ▶ Awareness and outreach program for raising consciousness about existing schemes and financial products ▶ Sensitization of banks/financial institutions to understand the product value chain while fixing WC/CC limits ▶ 'Revolving Working Capital Assistance' to micro units/ cobblers/ artisans towards procuring raw materials and meeting operating expenditure. This can be introduced through existing CFCs or DIC ▶ Collaboration with nationalized banks to facilitate quick loan approval and disbursement through digital lending. ▶ Tie up with the banks/financial institutions (SIDBI, BoB etc.) for better interest rates, enhanced working capital limits etc.
Cost Structure	<ul style="list-style-type: none"> ▶ U.P. is a land-locked state hence this increases the transportation cost which in turn adds to the overall production expenses ▶ Since the start of Covid-19, the availability of containers and the Freight Charges by the Shipping lines has been 	<ul style="list-style-type: none"> ▶ The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme. ▶ The CONCOR rates are to be made

Parameter	Challenges	Intervention
	main concern for most the industries	<p>available at regular intervals to the DIC office for updation of the same at the district website.</p> <p>▶ The formation of the sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.</p>

4.9 Future Outcomes

Annual Turnover

The turnover is likely to increase from INR 1 cr to 2 Cr in the next 5 years

Cluster exports

The cluster is likely to initiate exports worth INR 50 Lakhs in the next 5 years.

5. Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ⁶
Increasing the overall exports from the state		
Sensitization and facilitation in availing Import/ export documents: Majority of the cluster actors though interested and sensitized on exports are unaware of Import-Export Code which is crucial for participating in global trade. While some of them are aware, they face challenges in applying. Thus, at district level, a camp should be set in every three months to help the individuals interested in trade to understand about the requisite documents required for undertaking import/ export and provide support in availing them	ODOP cell, DIEPC UPEPB	Continuous initiative
Creation of an event calendar comprising of events to be conducted in a Financial Year with a focus on international marketing events . Further, DGFT and FIEO can finalize a target to participate in at least 3 international events in a year per product category/industry (food, engineering & auto components, handicrafts, textile& apparel etc.) by utilizing schemes like IC and MAS	ODOP cell, DIEPC UPEPB	Continuous initiative
Sensitization of cluster actors: <ul style="list-style-type: none"> a. The individuals of a cluster should be sensitized on the plethora of schemes⁷ available for them for maximizing the potential of exports. Merchandise Exports from India Scheme, Service Export from India Scheme etc. provides various exemptions for facilitating exports. Further, schemes like Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials b. Currently, majority of the exporters and traders focus on selling their goods to USA, UK, and European countries without correctly analyzing the demand market. Thus, these cluster actors should be sensitized on target countries identified through export analysis mentioned in DAPs and EAPs 	ODOP cell, DIEPC UPEPB	Continuous initiative
DIC and FIEO can play a pro-active role in this regard. 10% increase in every year in the number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a	DIC, UPEBP and FIEO	Intermediate

⁶ Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

⁷ List of available schemes facilitating exports: <https://cdn.s3waas.gov.in/s3555d6702c950ecb729a966504af0a635/uploads/2020/12/2020120965.pdf> and <https://www.ibef.org/blogs/indian-export-incentive-schemes>:

target under this segment		
Common interventions across sectors/ clusters		
Collaboration with e-commerce companies like Amazon, ebay, Flipkart etc.	UPEPB/DIEPC	Short term
MoU with QCI for defining quality standards of the products	UPEPB/DIEPC	Short term
Collaboration with IIP to define cluster-wise packing standards	UPEPB/DIEPC	Short term
Sensitization of banks and bankers to help them understand the niche sectors of MSME and their specific requirements which shall help banks evaluate projects better while lending credit	UPEPB/DIEPC and banks	Short term
Introduction of revolving working capital within the cluster to help MSMEs procure raw materials and undertake production without hinderances	UPEPB/DIEPC and banks	Intermediate
Tie up with the banks/financial institutions (SIDBI, BoB etc.) for better interest rates, enhanced working capital limits etc.	UPEPB/DIEPC and banks	Intermediate
Awareness and outreach program for raising consciousness about existing schemes and financial products and promoting the cluster actors to leverage these initiatives	UPEPB/DIEPC	Intermediate
DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.	DIEPC/DGFT/UPEPB	Long term
Cost Structure:	DIEPC/UPEPB	Long term
<ul style="list-style-type: none"> a. The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme. b. The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website. c. The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal. 	DIEPC/UPEPB	Long term

	DIEPC/UPEPB/FIEO	Short term
Product 1: Shazar Stone craft		
Establishment of a technology led common production centre with latest machinery like Hammer, Trim saw, Diamond fester, Sansi, Flat Lap, Horizontal Lap, Grinding Machine, Polishing Machine, Tub, Plate, and Stone Cutting machine, Silicon Car Border and Drum Machine and CAD/CAM for designing. These machines will help automate and amplify the production	DIEPC, DGFT and ODOP Cell	Long term
Collaboration with design institutes for design inputs and trainings on trend forecasting and support in product diversification	ODOP cell and DIEPC	Short-term
A documentary film should be developed to highlight the history and the production process of shazar stone craft	ODOP cell and hired agency	Intermediate
Collaboration with NSDC for providing job-oriented training for skilling and upskilling under various parameters like marketing, production process, designing, accounting entrepreneurship etc..	ODOP cell and NSDC	Short term
Maximizing leveraging of skill upgradation schemes such as the ODOP Skill Development Scheme, Entrepreneurship and Skill Development Programme (ESDP) DDUGKY scheme, 'Seekho aur Kamao' and Uttar Pradesh Skill Development Mission for skilling and upskilling of artisans	ODOP cell and DIEPC	Short-term
Efforts should be made to initiate the GI tag registration and undertake the necessary steps	ODOP cell, DIEPC	Short-term
Tie-up with local souvenir shops around Kalinjar Fort, Bhuragrah Fort, Bamdev Temple, Navab Tank Banda, Maheshwari Devi Temple	ODOP cell, DIPEC and DGFT	Short-term

6. Key schemes

6.1 Key schemes of GoI

6.1.1 Merchandise Exports from India Scheme (MEIS) ⁸

This scheme is designed to provide rewards to exporters to offset infrastructural inefficiencies and associated costs. The Duty Credit Scrips and goods imported/ domestically procured against them shall be freely transferable. The Duty Credit Scrips can be used for:

- ▶ Payment of Basic Customs Duty and Additional Customs Duty specified under sections 3(1), 3(3) and 3(5) of the Customs Tariff Act, 1975 for import of inputs or goods, including capital goods, as per DoR Notification, except items listed in Appendix 3A.
- ▶ Payment of Central excise duties on domestic procurement of inputs or goods,
- ▶ Payment of Basic Customs Duty and Additional Customs Duty specified under Sections 3(1), 3(3) and 3(5) of the Customs Tariff Act, 1975 and fee as per paragraph 3.18 of this Policy.

Objective of the Merchandise Exports from India Scheme (MEIS) is to promote the manufacture and export of notified goods/ products.

6.1.2 Service Exports from India Scheme (SEIS) ⁹

Under the Service Exports from India Scheme (SEIS), the Duty Credit Scrips are accorded as rewards. The goods imported against the Duty Credit Scrips or the goods nationally acquired against the Duty Credit Scrips will be transferable freely. Given below is a list of requirements which can be fulfilled using the Duty Credit Scrips:

- ▶ Customs Duty payment and fee as per paragraph 3.18 of the policy.
- ▶ Customs Duties payment for importing goods or inputs, other than the items mentioned in Appendix 3A.
- ▶ Excise duties payment on the acquisition of goods or inputs, this includes capital goods according to the DoR notification.
- ▶ Service Tax payment upon acquisition of services according to the DoR notification.

6.1.3 Rebate of State and Central Levies and Taxes (RoSCTL) Scheme¹⁰

It is an export incentive in the form of transferable and sellable duty credit scrips offered on the basis of the Free On Board(FOB) value of the export.

The benefits of Rebate of State Levies RoSCTL are available to exporters of readymade garments and made-ups for now. The scheme aims to help them cut high logistics and other costs and enable them to compete globally. An exporter can benefit from this scheme for all exports done after 1st April 2019. For exports made prior to this date, the eligibility criteria of the RoSCTL scheme would be applicable. The rebate for such exports was allotted out of the RoSCTL scheme fund, on exhaustion of which DGFT would issue scrips, but at RoSCTL rates.¹¹

6.1.4 Advance Authorisation Scheme¹²

Advance Authorisation Scheme allows duty free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also be allowed.

The quantity of inputs allowed for a given product is based on specific norms defined for that export product, which considers the wastage generated in the manufacturing process. DGFT provides a sector-wise list of

⁸ <https://www.dgft.gov.in/CP/?opt=meis>

⁹ <https://www.bankbazaar.com/tax/service-exports-from-india-scheme-seis.html>

¹⁰ <https://www.dgft.gov.in/CP/?opt=rosctl>

¹¹ <https://www.dripcapital.com/resources/blog/rosctl-scheme>

¹² [dgft.gov.in/CP/?opt=advnace-authorisation](https://www.dgft.gov.in/CP/?opt=advnace-authorisation)

Standard Input-Output Norms (SION) under which the exporters may choose to apply. Alternatively, exporters may apply for their own ad-hoc norms in cases where the SION does not suit the exporter.

Advance Authorisation covers manufacturer exporters or merchant exporters tied to supporting manufacturer(s).

6.2 Various Schemes being run by Export Promotion Bureau, UP

6.2.1 Marketing Development Scheme (MDA)

Table 6: MDA scheme highlights

S.No	Incentives offered	Amount of incentive against total expenditure
1	Participation in foreign fairs/exhibitions (total three fairs / annum) a. Stall charges b. Air fare (economy class)	a. 60% of stall charges (max 01 lac / fair) b. 50% (max 0.5lac for one person / fair)
2	Publicity, advertisement, development of website	60 % (max 0.60 lac/annum)
3	Sending of samples to foreign buyers	75 % (max 0.50 lac/annum)
4	ISO /BSO certification	50 % (max 0.75 lac/annum)

6.2.2 Gateway Port Scheme

Table 7: Gateway Port Scheme highlights

Particulars	Details
Brief Description	Assistance is given to all manufacturing exporting units on expenses incurred on the rail transport of their goods from ICD/CFS to Gateway ports.
Eligible units	Micro, small & medium enterprises.
Incentives Offered against actual expenditure	25% of the total expenditure or Rs 6000 (20 ft' container) & Rs 12000 (40 ft' container) (whichever is less)
Maximum limit	Rs 12 lacs /unit /year
Empowered committee	District Users Committee under the chairmanship of district magistrate.

6.2.3 Air Freight Rationalization Scheme

Table 8: Air Freight Rationalization scheme highlights

Particulars	Details
Incentive offered	20% of the actual expenditure or Rs 50 / kg (whichever is less)

Eligible Units	Manufacturer & merchant exporter
Maximum limit	Rs 2 lacs /unit /year
Recognized Cargo Complexes	Varanasi & Lucknow

7. Abbreviations

Table 9: List of abbreviations

AAS	Advance Authorization Scheme
BoB	Bank of Baroda
CONCOR	Container Corporation of India
CPC	Common Production Center
DDUGKY	Deen Dayal Upadhyaya Grameen Kaushalya Yojana
DFIA	Duty Free Import Authorization
DGFT	Director General of Foreign Trade
DIC	District Industries Center
DIEPC	District Industry and Enterprise Promotion Center
EPC	Export Promotion Council
ESDP	Entrepreneurship and Skill Development Programme
FIEO	Federation of India Export Organization
FTA	Free Trade Agreement
HS	Harmonized System
IC	International Cooperation
IEC	Import Export Code
IIP	Indian Institute of Packaging
MAS	Market Assistance Scheme
NSDC	National Skill Development Cooperation
ODOP	One District One Product
PMU	Project Monitoring Unit
QCI	Quality Council of India
SIDBI	Small Industries Development Bank of India
SWOT	Strength, Weakness, Opportunities, Threats
UAE	United Arab Emirates

UK	United Kingdom
UP	Uttar Pradesh
UPEPB	Uttar Pradesh Export Promotion Bureau
UPICO	UP Industrial Consultancy Organisation
USA	United States of America



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