



Draft District Export Action Plan, Districts, Uttar Pradesh



विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF
FOREIGN TRADE

Districts
as Export Hubs

Knowledge Partner



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Preface

This district export plan for Mahoba 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 Mahoba district as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Mahoba 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 Mahoba'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.

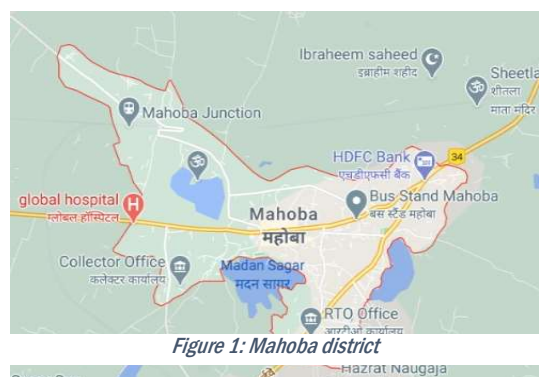
2. District Profile

Mahoba falls in the Bundelkhand division of UP. The district was carved out from the erstwhile Hamirpur district on 11 February 1995. The district has been known for its bravery; the story of Veer ALHA and UDAL defines its importance in Indian history. Moreover, it is also known for its closeness to historic places Khajuraho, Laundi, Kulpahar, Charkhari, Kalinjar, Orchha, and Jhansi.

The name Mahoba is derived from “Mahotsav Nagar”, the city of great festivals. The Bardic tradition preserves three other names of the city: Kekaipur, Patanpur and Ratanpur.

The existence of the sacred “Ram-Kund” and “Seeta-Rasoi” cave at the Gokhar hill here are said to be monumental to the visit of Rama who widely treated this hill region while in 14 year exile at Chitrakoot.

In 2006, the Ministry of Panchayati Raj named Mahoba one of the country’s 250 most backward districts (out of a total of 640). It is one of the 34 districts in Uttar Pradesh currently receiving funds from the Backward Regions Grant Fund Programme (BRGF).²



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

² <http://msmedikanpur.gov.in/cmdatahien/dip/DIP%20Mahoba%20PKS%201.6.2016.pdf>



2.1 Geography

Mahoba is located between latitude 25° 07' N & 26° 7' N and longitude 79° 17'E & 80° 21'E. The geographical area is 3,144 Km². Northern flat plane along with river is less than 1000 feet above sea level and divide of hills or forest patches with a maximum height of 2000 feet from sea level.

Nearest airport is Khajuraho 65 KM. Mahoba is connected by road to all major cities and road distance is: Chitrakoot-125 KM, Kanpur-155 KM, Jhansi-165 KM, Allahabad-245 KM, Lucknow-240 KM, Banda-52 KM and Kalinjar-130 KM.

2.2 Topography & Agriculture

The soil consists of the well-known varieties, Mar, Kabar, Parua and Rakar. Mar is often called blank cottar soil. Its varies greatly in colour. It contains small lumps of kankar (small stone piece). Kabar range from a rich dark black to light brown. Its chief characteristics are its extreme adhesiveness, which causes it to quickly dry and cake into hard blocks. Parua is a light coloured sandy soil, found in many forms. It is usually less rich in organic matter, but its finer texture makes it more responsive to manure and irrigation. Rakar is refuse soil which occurs on sloping, where the action of water has tended to denude the earth of all its better qualities

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

Table 1: Land utilization pattern of the district

Parameter	Description
Total Area	3,27,429
Forest Cover	16,213
Non-Agriculture Land	8,111
Cultivable barren land	8,126

3. Industrial profile of the district

The district has around 2,634 registered units employing 8,390 individuals.² These units are from various sectors including agricultural & allied, electrical, wood-based, Ready-made/Hosiery garments & embroidery etc.

The following table depicts the key industries of the district: ²

Table 2: Industries and their details

Industry	Functional Units	Investment (INR lakhs)	Employment
Repairing & servicing	947	1,372	2,601
Agro based	605	942	1,393
Wood/wooden based furniture	214	285	487
Ready-made/Hosiery garments & embroidery	205	101	393
Metal products	75	78	190
Paper & paper products	71	73	149
Mineral based	69	1472	520
Cotton textile	11	20	33

3.1 Major Exportable Product from Mahoba

Table 3: Major exportable product

S. No	Product	Export value (in INR) from September 2020 to November, 2021
1	Gaura Stone Craft	-
Total export from Mahoba		-

4. Product 1: Gaura Stone Craft

4.1 Cluster Overview

Gaura stone craft is made of radiant white coloured stone that is predominantly found in this district. Gaura stone has a soft texture which when cut into several pieces is used to make various craft items that are used for decorative purposes.

The artisans in the village have been majorly dependent on the mines located within the village for sourcing of raw material for making the products. These mines have been now shut down (since the last 4 years) due to an accident that took place a couple of years back.

The Gaura Udyog Shakari Samiti was established in 1974 at Gaurhari village. The existing society “Gaura Udyog Sehkar Samiti” is the entity was looking after and managing the mining activity and regulating the supply of stone to the artisans. The Gaura Stone product has been preserved by Shri Kalidin Vishwakarma and Shri Brijkishore Vishwakarma.

The figure alongside depicts key facts pertaining to the district.³

Key Facts

Location: Rayanpur (Charkhari)

No of firms: 120 Micro units

No. of workers: 1,100

Total turnover: INR 55 Lakhs

4.2 Product profile

Pyrophyllite is the category of the stone which is used for making stone products, and scrap of the stone is utilized for making power which is utilized in production of toothpaste, detergent powder and talcum powder.

4.2.1 Product Portfolio

The existing products range includes:

- ▶ Statues & idols
- ▶ Decorative utensils
- ▶ Lamps

4.3 Cluster Stakeholders

The following are the key cluster stakeholders:

- ▶ Makers of the product: units & artisans
- ▶ Raw material suppliers
- ▶ Wholesalers/ Distributors/ Retailers

³ DSR of Mahoba- page 16

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 4: 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

From obtaining the stone to trimming and shaping it, the craft involves a lot of hard-work and expenditure. This stone is used for making various types of decorative items. These items are sold across the country and exported as well.

The cluster does not undertake direct exports however, the products are sold to various countries indirectly by the traders of the state. Thus to analyze export data of Gaura stone craft, HSN code 680299⁴ has been used.

The figure alongside depicts the key stats pertaining to exports 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.dgoisanalytics.in/dgcis/EXIM-Analytics#/> 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

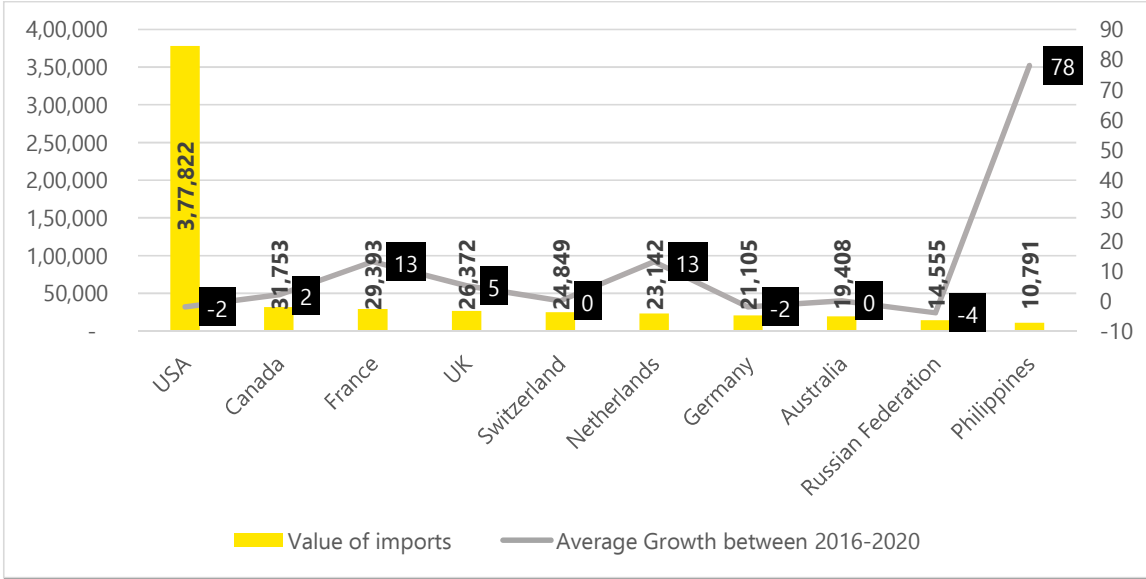


Figure 2: Key countries importing the product and their average growth rate



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:

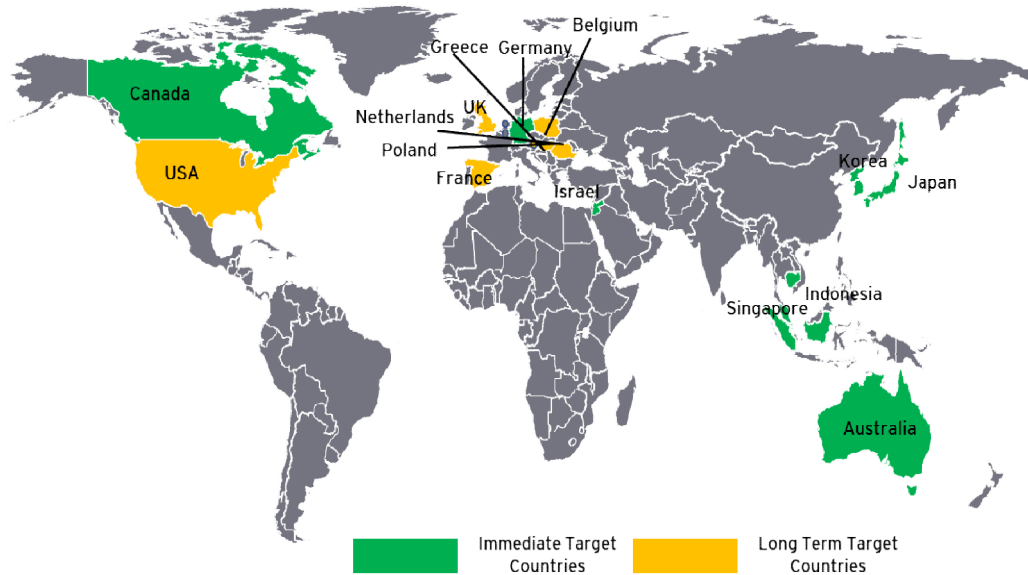


Figure 3: Potential Markets for expansion

4.6 Potential Areas for Value Added Product

The cluster actors/ stakeholders can divert their focus on creating products like , **Coasters, jewelry box, 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 5: 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 		<ul style="list-style-type: none"> ▶ The decreasing availability of raw material ▶ Market has multiple alternatives based on 	



<ul style="list-style-type: none"> ▶ New products and designs can be made available easily by upgrading the technologies and tools used in the production process ▶ Potential for product diversification ▶ The existing schemes and policies foster traditional business 	audience's requirement
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4.8 Challenges and interventions

Table 6: Challenges and Interventions

Parameter	Challenges	Intervention
Raw materials	<ul style="list-style-type: none"> ▶ Lack of availability of raw material within the district or state as mining is not legalized anymore due to an accident that occurred years ago ▶ The raw materials are now procured from Lalitpur or other districts of MP due to the ban which increases the cost as the transportation and logistics cost are added to the procurement cost 	<p>Soft intervention:</p> <ul style="list-style-type: none"> ▶ Creating awareness, promoting Introducing revolving working capital within the cluster to help MSMEs procure raw materials and undertake production without hinderances <p>Policy intervention:</p> <ul style="list-style-type: none"> ▶ The ban on the mining of nearby areas of the cluster should be relaxed as the complete ban has been acting as a hinderance for the luster and its actors.
Manufacturing process	<p>Design:</p> <ul style="list-style-type: none"> ▶ Majority of the artisans manually design their products ▶ The artisans are unaware of software which can simplify the designing process ▶ Old designs and the product range are in effect for the last 20 years <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 follow 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>Hard intervention</p> <ul style="list-style-type: none"> ▶ Establishment of a technology led common production centre in the long run, with latest machinery Like Cutter Machine, Polish Machine, Designing Machine, Grading Machine , Hammer Machine etc. for production and CAD/CAM for designing. These machines will help automate and amplify the production process <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 Gaura stone products so that their quality can be maintained ▶ Collaboration with IIP to improve the

Parameter	Challenges	Intervention
	<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>packaging standards and to help the artisans learn sustainable packaging techniques</p>
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 ▶ Limitations in knowledge of the cluster actors hinders them to expand the market/ reach 	<ul style="list-style-type: none"> ▶ A documentary film should be developed to highlight the history and the production process of the craft ▶ Collaboration with e-commerce companies like Amazon, Flipkart etc. ▶ Sensitization of cluster actors about Performance Linked Incentive initiative of the government under the Atmanirbhar Bharat Abhiyan and the Make in India initiative which envisages to increase productivity, expand operations and initiate/ widen export opportunities for select sectors ▶ 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 ▶ The 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 	<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.

Parameter	Challenges	Intervention
	hesitation for budding exporters	<ul style="list-style-type: none"> ▶ 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. Further, schemes like Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials ▶ 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 don't negligible financial literacy, Hence they face problems in obtaining and applying 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 ▶ 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 	<ul style="list-style-type: none"> ▶ The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz.

Parameter	Challenges	Intervention
	<p>expenses</p> <p>▶ Since the start of Covid-19, the availability of containers and the Freight Charges by the Shipping lines has been main concern for most the industries</p>	<p>Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.</p> <p>▶ The CONCOR rates are to be made 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 be double in the next 5 years i.e. INR ~1.1 Cr

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:](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
Collaboration 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
Sensitization of cluster actors from this sector on Make in India initiative and PLI for leveraging the assistance provided to the sector to enhance productivity and expand exports	DIEPC UPEPB	Short term
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
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	DIEPC/UPEPB	Long term

availability and issues relating to it. The industry may be informed of this portal.	DIEPC/UPEPB/FIEO	Short term
Product 1: Gaura Stone craft		
Establishment of a technology led common production centre with latest machinery for designing and production process. These machines will help automate and amplify the production	DIEPC, DGFT and ODOP Cell	Long term
The ban on the mining of nearby areas of the cluster should be relaxed as the complete ban has been acting as a hinderance on creating a livelihood of the individuals of the district.	ODOP cell, Department of Mines & Minerals, Department of Environment and Forest and the District magistrate	Short 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 Gaura 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

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 7: 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 8: 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 9: 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 10: 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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