

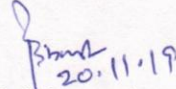
No. 5(1)/2016-MDA
Government of India
Ministry of MSME
Office of Development Commissioner
Market Service Division

Nirman Bhawan, New Delhi
Dated: 20th Nov., 2019

Office Memorandum

Subject: **Approved scheme guidelines on "Procurement and Marketing Support (Revised)" a component of scheme Development of MSMEs (Entrepreneurship and Skill Development Programme), vertical 4-circulation-reg.**

I am directed to circulate approved scheme guidelines on "Procurement and Marketing Support (Revised)" a component of main scheme on "Development of MSMEs"(Entrepreneurship and Skill Development Programme), which has been approved by Hon'ble Union Minister for MSME, to all SFC committee members for their kind reference. The approved scheme guidelines will enforced w.e.f. 20.11.2019 for the 14th Finance Commission. Copy of scheme guidelines are enclosed herewith for ready reference.


(A.K. Verma)
Deputy Director
Ph. No. 011-23062215

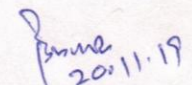
Encl: As stated.

To,

1. All Chief Secretaries of the State Governments
2. Secretary, M/o Skill Development and Entrepreneurship, Shivaji Stadium, Annexe Building, New Delhi.
3. Secretary, M/o Social Justice & Empowerment, Shastri Bhavan, New Delhi -01
4. Secretary, M/o Women & Child Welfare, , Shastri Bhavan, New Delhi -01
5. Secretary/o Tribal Affairs, Shastri Bhavan, New Delhi -01
6. Secretary, Department of North Eastern Region, Vigyan Bhavan Annexe, New Delhi
7. Secretary, Department of Commerce , M/o Commerce & Industry, Udyog Bhavan, New Delhi
8. Secretary, M/o Labour & Employment, Shram Shakti Bhavan, Rafi Marg, New Delhi
9. Secretary, M/o Rural Development, Rajpath Area, Central Secretariat, New Delhi
10. Secretary, Department of Science & Technology, Technology Bhavan, New Mahrauli Road, New Delhi -110016
11. Secretary, Department of Agriculture Research and Education, M/o Agriculture & Farmers welfare, Krishi Bhavan, New Delhi
12. Secretary, DPIIT, Ministry of Commerce & Industry Udyog Bhavan, New Delhi
13. Secretary, Higher Education, Shastri Bhavan, New Delhi
14. Secretary, M/o Panchayati Raj, 11th Floor, J.P. Building, Kasturba Gandhi Marg, Cannught place, New Delhi
15. SS&FA, M/o MSME, Udyog Bhavan, New Delhi
16. JS(SME), M/o MSME, Udyog Bhavan, New Delhi
17. JS(PF-II) Department of Expenditure, M/o Finance, North Block, New Delhi
18. Sr. Advisor (Industry),Niti Aayog, Parliament Street, New Delhi

Copy to:

19. PS to Secretary (MSME), Udyog Bhavan, New Delhi.
20. PS to AS&DC(MSME),O/o DC(MSME), Nirman Bhavan, New Delhi
21. PS to JDC(MK), O/o DC(MSME), Nirman Bhavan, New Delhi


(A.K. Verma)
Dy. Director

**Guidelines for
Procurement and Marketing Support Scheme
(Revised on 20.11.2019)**

**O/o the Development Commissioner (MSME)
Ministry of Micro, Small & Medium Enterprises
Nirman Bhawan
New Delhi 110 018**

Sharma
20.11.19

1. INTRODUCTION:

Marketing, a strategic tool for business development, is critical for the growth and survival of MSMEs. Due to the lack of information, scarcity of resources and unorganized ways of selling / marketing, MSME sector often faces problems in exploring new markets and retaining the existing ones. Keeping in view these facts, the Procurement and Marketing support Scheme has been introduced to enhance the marketability of products and services in the MSME sector.

2. OBJECTIVE: The scheme aims at the following:

- Promoting new market access initiatives like organising / participation in National / International Trade Fairs / Exhibitions / MSME Expo.etc.
- To create awareness and educate the MSMEs about importance / methods/ process of packaging in marketing, latest packaging technology, import-export policy and procedure, GeM portal, MSME Conclave, latest developments in international / national trade and other subjects / topics relevant for market access developments.
- To create more awareness about trade fairs, digital advertising, e-marketing, GST, GeM portal, public procurement policy and other related topics etc.

3. ELIGIBILITY CONDITION:

Manufacturing / Service sector MSEs registered at Udyog Aadhaar Memorandum (UAM) Portal.

4. IMPLEMENTING AGENCY:

1. DC MSME through its field organisations namely MSME Development institutes and Technology centres
2. Other field organisations of M/o MSME namely NSIC, KVIC, Coir board
3. State governments through its departments/organisations/corporations/autonomous bodies and agencies
4. Other Central Govt ministries through its departments/organisations/corporations/autonomous bodies and agencies

5. SCHEME COMPONENTS:

5(A) Participation of individual MSEs in domestic trade fairs/ exhibitions across the country:

Eligible items	Scale of assistance
Space Rent charges	80% subsidy on built up space rent paid for General category units and 100% for SC/ST/women/NER/PH/Aspirational District units on minimum stall size of the event for Micro and Small enterprises.
Contingency expenditure (include travel, publicity & freight).	100% contingency expenditure for all categories of units subject to maximum Rs.- 25,000/- or actual, whichever is less. One representative from each participating unit may travel limiting to AC II tier train fair/ Economy Class Air Fare per event. Local participants will be paid Rs 12/Km as freight charges (transportation of goods charges) up to 50 Kms.
Maximum Budgetary support (including contingency expenditure)	Metro & A Class City: Rs 1.50 lakhs (incl. All taxes) max or actual whichever is less for a participating enterprise per event. B Class City: Rs 1.00 lakhs(incl. All taxes) max or actual whichever is less for a participating enterprise per event.

	<p>Other City: Rs 0.80 lakhs(incl. All taxes) max or actual whichever is less for a participating enterprise per event.</p> <p>NER/J&K/Hilly States: Rs 1.00lakhs(incl. All taxes) max or actual whichever is less for a participating enterprise per event.</p>
<p>Note:</p> <ol style="list-style-type: none"> A MSE would be allowed reimbursement for maximum of 2 (two) events in a year. Applicant unit shall have to submit its claim online (or system in place) in the prescribed format within 30 days from date of conclusion of the event. IA shall send the proposal with minimum 10 units for an event, with no cap on maximum number of participating units per event. Empowered Committee of the scheme may assign an implementing agency which will represent the Ministry for propagating the scheme & policies in the event along with monitoring of participants and publicity by common facia of the ministry, hanging of bunting etc. The budgetary support for participation of implementing agency will be max. 10% of total allocation to the event or actual whichever is less. The implementing agency will take approval of competent authority for detailed publicity proposal. The Event should be of National/International level or in partnership with Central/State Govt. or its Organizations, Autonomous Body, Departments, Corporations. 	

5(B) Organising Domestic Trade Fairs/Exhibition and participation in trade fairs/exhibitions by the Ministry/Office of DC (MSME)/Government organisations:

Eligible items	Scale of assistance/budget
Space Rent charges	<ul style="list-style-type: none"> • The implementing agency will hire bare space / built up space (i.e. fabricated stalls / booths) from the event organiser / any other agency and mobilise the participating units. • The upper cap of hiring of built up space to organise / participate in the events shall be as follows: <ol style="list-style-type: none"> Regional (State/District) : Rs.15.00 lakhs NationalRs.25.00 lakhs International: as decided by the empowered committee, subject to approval of Deptt of Expenditure on case to case basis, where the overall ceiling exceeds the limit set by DOE. <ul style="list-style-type: none"> • The Minimum number of participating units per program will at least 30. • The participating units will be provided space rent subsidy @ 80% for General category units and @ 100% for SC/ST/women/NER/PH/Aspirational District units subject to one booth / stall per unit and for minimum booth/stall size for Micro and Small Enterprises. The total subsidy will be within the upper limit as mentioned above. • The exclusive trade fairs for Self Help Groups (SHGs) / artisans / NER/ Aspirational District MSEs will be held with 100% space rent subsidy. However, the upper limit of subsidy will equally be applicable to them and participating units must be at least 30. • Trade fair duration: 3 or more days

Contingency expenditure (include travel, publicity & freight). (For NER / aspirational District enterprises only)	100% to and fro actual fare of train / air travel (limited to AC-II tier Class and economy class in case of air travel) from nearest railway station / airport to the place of exhibition by shortest route for one person per enterprise subject to maximum Rs 25000/- or actual whichever is less. It also includes freight and publicity charges on actual basis.
Advertisement and Publicity for organising/ participation in regional/National/International events.	Rs 15.00 lakh max. or actual whichever is less for wide publicity of event and other related activities such as cultural program etc. either through event organiser or any approved agency .
<ul style="list-style-type: none"> There will be no expenditure ceiling for those events wherever Ministry decides to organize or participate on its own. The expenditure to be incurred will be decided by the empowered committee, subject to overall ceiling prescribed by Deptt of Expenditure. The scale of assistance to participating MSEs in MSME pavilion will be admissible as detailed in space rent subsidy and contingency expenditure for NER enterprises as above. Non Government event organizers need to ensure B2B business of 20% of subsidized participant MSEs before release of payment to the organizer by IA. 	
Approval of Empowered Committee will be required for exceeding ceiling limit subject to limit of max. 10-15%.	

5(C) Capacity building of MSMEs in modern packaging technique:

Eligible items	Scale of assistance
Unit based interventions for specific packaging requirements.	80% of total cost paid to empanelled agency / consultancy organisation for General category units and 100% for SC/ST/Women/NER/PH/Aspirational District units limited to Rs. 1,00,000 - (Incl. All taxes) for ordinary packaging consultancy and Rs 1,50,000/- max. for green packaging consultancy or actual whichever is less. Empanelment of expert organisations like IIP, NID etc. shall be done by inviting EOI following GFR2017 to have a panel of institutions for providing consultancy services to MSMEs, particularly in the clusters supported by the Ministry under its various schemes and to individual MSMEs.

5(D) Development of Marketing Haats.

Item	Scale of assistance
Development of New MSME Haats	Maximum assistance of Rs.100.00 lakhs shall be provided towards the project cost to the implementing agency, subject to 50% contribution towards the project cost from the IA. Upper limit of GIA will not exceed Rs 50.0 lakhs.
Renovation /up gradation of the existing Marketing haats	Maximum assistance of Rs 40 lakhs subject to 50% contribution towards the project costs from the Implementing agency. Upper limit of GIA will not exceed Rs 20.0 lakhs.
Plan proposal shall be accompanied with the following details from the IA: <ol style="list-style-type: none"> source of funding by the IA towards the recurring cost for the next 3 years estimated revenue generation from the Haat Total number of MSMEs to be benefitted from the haat Estimates shall be certified by the CPWD/PWD or any other government works deptt. 	

3/3/2019
20.11.19

5(E) Vendor Development Program (VDP): To facilitate market linkages for effective implementation of Public Procurement Policy for MSEs Order of 2012.

Type of VDPs	Program duration	Scale of Assistance
State level Vendor Development Programme	One day	Sanction of max. Rs 1.0 lakh or actual whichever is less per programme
National Level Vendor Development Programme	2-3 days.	Sanction per program for organizing these programmes be Rs 10.0 lakhs max. Or actual whichever is less for "A" class City and Rs 7.00 lakh max, or actual whichever is less for "Other cities" including J&K/ NER/HP.

5(F) International/National Workshops/Seminars: To educate MSMEs on various facets of business development i.e product & process development innovations, technological development, issues related to IPR, Exim policy, Public Procurement Policy, design & packaging and market research and access.

Item	Scale of assistance
International /National workshops/seminars	<p>a. Rs. 5.0 Lakh max. Or actual whichever is less per workshop/seminar anywhere in the country.</p> <p>b. An additional cost of Rs. 2.5 Lakh (maximum) Or actual whichever is less towards cost of air travel, boarding & lodging etc. will be admissible for international experts foreign /speakers / resource person/experts for international level event.</p> <p>c. Assistance is admissible to The Govt./ non - Govt. reputed organisations having at least 3 years of experience in organising subject specific workshops / seminars .</p> <p>d. The honorarium & travelling allowance to the persons other than Govt. official will be admissible as per Govt. of India extant rule.</p>

The limit may be enhanced with approval of Empowered Committee subject to limit of max. 10-15%.

5(G) Awareness Programs: To create overall awareness about trade fairs, digital advertising, e-marketing platform, GST, GeM portal and other such related topics etc.

Intake capacity	Program duration	Scale of Assistance
At least 30 MSME participants	One day	<p>a. Financial support of Rs 70,000/- per program wherever necessary subject to expenses as per Govt. of India extant rule.</p> <p>b. The program will be conducted by the Implementing Agency.</p> <p>c. The honorarium & travelling allowance to guest faculty other than Govt. official will be admissible as per Govt. of India extant rule.</p>

The limit may be enhanced with approval of Empowered Committee subject to limit of max. 10-15%.

6. Selection of MSEs: The unit will apply to the Office of DC (MSME)/ M/o MSME directly or through implementing agency online (or system in place), well in advance (preferably one month) prior to the commencement of trade fairs/ exhibitions. After due scrutiny, the programme division will submit the proposal to the Empowered Committee for the final approval.

While processing the proposals, the preference shall be given to first time participants and units from remote location viz., from Aspirational Districts and also from SC/ST, Women, PH and NER.

7. Empowered Committee: The Empowered Committee shall be the final authority for approval of proposals. The Empowered Committee will be headed by AS&DC (MSME) with JS(SME) or his / her representative, JDC(Market Service)/Incharge of division, Director (Planning and Marketing) NSIC or his/her representative and Nominee of IFW as members. Secretariat services shall be provided by Market Service Division of Office of DC (MSME). Any of the Export promotion Association/ Industry association may be invited as special invitee (optional) to attend the meeting.

8. Provision for MSME-Development Institutes: MSME-DIs with prior approval of O/o DC (MSME), may participate in exhibitions/trade fairs for propagating the scheme & policies of the Ministry. An expenditure of Rs.30,000/- or actual, whichever is less, shall be permitted towards stall charges and TA/DA etc. of the officer as per admissible rules.

9. The scheme will be monitored by an integrated MIS by the implementing agency and also scheme management unit setup at the office of DC (MSME).

10. It is to be ensured that every event is led by business and data for each event along with participants has to be captured for follow up action and also to do performance audit.

11. TA/ DA to the officers of the Ministry and its field offices shall be paid as per the extant rule.

*****END *****

B. Kumar
20.11.19