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**GOVERNMENT OF KERALA**

**Abstract**

Industries Department - Amendment of the Guidelines of Assistance Scheme for Handicraft Artisans (ASHA) - Orders issued.

DR

**INDUSTRIES (K) DEPARTMENT**

G.O.(Ms)No.81/2023/ID Dated,Thiruvananthapuram, 10-11-2023

- Read: 1. G.O(Ms)No.113/2016/ID dated 20.08.2016.
2. Letter No.DIC/3218/2021-HC-H dated 24.05.2022 from the Director, Industries and Commerce.

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**ORDER**

Assistance Scheme for Handicraft Artisans (ASHA) is a one time support intended to provide, handicraft artisans who invested in plant and machinery for a running handicraft unit. This is a continuing scheme commenced in the financial year 2016-17. Govt. as per G.O read above have approved the Guidelines of the scheme. As per the letter read above, Director, Industries and Commerce has proposed certain amendments in the existing guidelines of Assistance Scheme for Handicraft Artisans (ASHA) for extending the assistance to the artisan sector.

2. Government have examined the matter in detail and are pleased to amend the existing guidelines of Assistance Scheme for Handicrafts Artisans (ASHA) by modifying the existing clauses and incorporating some new clauses, as follows:

Existing Clause/New Clause	Modified Clause/New Clause
<b>Definitions</b>	
(i) Artisan: A person who has been categorized as such by the office of the Development Commissioner (Handicrafts), Government of India or SURABHI, KSBC, KADCO, HDCK , KERPALM and has taken effective steps to set up an enterprise in the handicrafts sector.	(i) Artisan: A person who has been categorized as such by the office of the Development Commissioner (Handicrafts), Government of India or SURABHI, KSBC, KADCO, HDCK, KERPALM, Kerala State Pottery Manufacturing Marketing and Welfare Development Corporation (KSPMMWDC) and has taken effective steps to set up an enterprise in the handicrafts sector.
(For the purpose of this scheme "effective steps" means setting up of work shed /work shop, apply for bank loan, placing orders for purchase of tools, machinery or other equipment etc:)	(For the purpose of this scheme "effective steps" means setting up of work shed /work shop, apply for bank

	loan, placing orders for purchase of tools, machinery or other equipment etc:)
ii) Enterprise: An industrial unit falling under micro category under the MSMED Act 2006 and having filed EM part –II or Udyog aadhar.	ii) Enterprise: An industrial unit falling under micro category under the MSMED Act 2006 and having filed <b>Udyam Registration or any other such registration specified from time to time by Ministry of MSME, Govt. of India.</b>
<b>Eligibility for applicants</b>	
2. All Micro Enterprises engaged in handicraft sector and set up in the State, which had filed Entrepreneurs Memorandum Part II with the respective General Manager, District Industries Centre or have taken Udyog Adhar shall be eligible for assistance under the Scheme.  The applicant has to:	2. All Micro Enterprises engaged in handicraft sector and set up in the State, which having <b>Udyam Registration or any other such registration specified from time to time by the Ministry of MSME, Govt. of India.</b>  The applicant has to:(no change)
a) apply in the prescribed proforma, along with the original / attested copies of invoices, bills or vouchers or valuation certificates in support of the claims within 6 months from starting the enterprise.	a) apply in the prescribed proforma, along with the original / attested copies of invoices, bills or vouchers or valuation certificates in support of the claims within 6 months from starting the enterprise.
<b>New Clause</b>	<b>(a).1. For condonation of delay for belated applications, Government can consent to apply for it case by case appraising the merit of the issue.</b>
<b>Entitlement of a successful Entrepreneur</b>	
3. Entitlement in the scheme shall be limited to the amount as given in Para 4 and 5 below per applicant unit to be availed only once. Subject to this maximum limit the assistance shall be limited to the fixed percentage of the composite investment upon  a. Construction of Workshed /Workshop  b. Cost of tools, equipment, machinery and accessories;	3. Entitlement in the scheme shall be limited to the amount as given in Para 4 and 5 below per applicant unit to be availed only once. Subject to this maximum limit the assistance shall be limited to the fixed percentage of the composite investment upon  a. Construction of Workshed /Workshop  b. Cost of tools, equipment, machinery and accessories;

<p>c. Electrification cost of workshop / work shed</p> <p>d. Technology support/ product / Design Development.</p> <p>Working capital and recurring costs shall not be eligible</p>	<p>c. Electrification cost of workshop / work shed</p> <p>d. Technology support/ product /Design Development.</p> <p><b>Working capital shall be eligible for credit linked projects</b></p>
<p>4. An assistance of 40% will be payable on the fixed capital investment of all micro enterprises set up in the State by Artisans in the handicrafts sector, subject to a ceiling of Rs. 2 (two) lakh.</p>	<p>4. An assistance of 40% will be payable on fixed capital investments of all micro enterprises set up in the State by Artisans in the handicraft sector in <b>General Category</b>, subject to the ceiling of Rs. 3 (three) Lakhs.</p>
<p><b>New Clause</b></p>	<p><b>4.(a) An assistance of Working capital grant of 40% of the working capital requirement as envisaged in the Project Report approved by the financial institutions, limited to a maximum of Rs.2 (Two) Lakhs. The total eligible assistance for fixed capital and Working capital together will be limited to an amount of Rs.5 (five) Lakhs.</b></p>
<p>5. All micro enterprises established by artisans belonging to Women, Scheduled Castes and Scheduled Tribes and Young entrepreneurs shall be eligible for an assistance of 50% of the fixed capital investment limited to Rs. 3 (three) lakh.</p>	<p>5. All micro enterprises established by Artisans who belong to women, SC/ST, young entrepreneurs in the age span of 18 to 45 and differently abled categories shall be eligible for an assistance of 50% of fixed capital investment limited to Rs. 4.5 Lakhs.</p>
<p><b>New Clause</b></p>	<p><b>5 (a) An assistance of Working capital grant of 50% of the working capital requirement as envisaged in the Project Report approved by the financial institutions, limited to a maximum of Rs.3 (Three) Lakhs. The total eligible assistance for fixed capital and Working capital together will be limited to an amount of Rs.7.5 Lakhs.</b></p>
<p><b>Powers and Services offered by the sanctioning authority</b></p>	
<p>7. All applications shall be placed in the District Level Handicraft Project Appraisal Committee to be constituted with the following composition</p>	<p>7. All applications shall be placed in the District Level Handicraft Project Appraisal Committee to be constituted with the following officials.</p> <p>1. GM, DIC, Chairman</p>

<p>1.GM, DIC chairman 2 .Lead Bank Manager 3.AD(DCH) 4.Manager in charge of Handicrafts.</p> <p>The minimum chorum should be three and AD(DCH) is mandatory.</p> <p>The committee shall scrutinize the applications and recommend to the General Manager . The power to sanction assistance under the scheme shall be vested with the General Manager, District Industries Centre.</p>	<p>2. <b>Lead District Manager,Member</b> 3. AD (DCH), Member 4. Manager, D.I.C. in charge of Handicrafts(<b>Convener</b>) 5. <b>Deputy Registrar, DIC - Member</b></p> <p>The minimum chorum should be four (4) and AD(DCH) is mandatory.</p> <p>The committee shall scrutinize the applications and recommend to the General Manager. The power to sanction assistance under the scheme shall be vested with the General Manager, District Industries Centre.</p>
<b>General Provisions</b>	
<p>20. The assistance under the ASHA shall be released to the eligible artisan in one installment.</p>	<p>Serial No. corrected as 22</p>
<p>21. 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 and grant 10 days time to rectify the defects.</p>	<p>Serial No. corrected as 23</p>
<p>22. Any dues on any account of the unit to Government/agency of Government shall be adjusted from the amount sanctioned as eligible assistance to any unit before disbursement of the assistance. Government in the Industries Department will have powers to relax this condition with the concurrence of Finance Department in exceptional cases for the reasons as reported by the Director of Industries &amp; Commerce</p>	<p>Serial No. corrected as 24</p>
<p>23. The disbursement of the sanctioned assistance to the unit</p>	<p>Serial No. corrected as 25</p>

shall be to the bank account of the unit.	
24. The General Manager, District Industries Centre shall have full powers for sanctioning the assistance. All claims shall be disposed of within 30 days from the date of receipt of completed application	Serial No. corrected as 26
25. The Director of Industries & Commerce is competent to dispose the appeals, if any, received in the prescribed format against the orders of the General Manager, DIC.	Serial No. corrected as 27
<b>Recoveries and Penalties</b>	
26. Any assistance to an enterprise 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 issue of registered demand notice to the unit by the Recommending/Sanctioning authority on grounds of obtaining assistance by misrepresentation, forgery or deception or not found working continuously for five years from its commercial production or in case of units which availed start up support, if the unit is not found to have commenced its commercial production within one year after receipt of assistance. 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 the cause in writing shall however be granted to the units before a demand is raised against it	Serial No. corrected as 28
<b>Forms</b>	
27. The application, other certificates, agenda note, sanction letters, agreement etc. shown separately as annexures shall form part of the Manual.	Serial No. corrected as 29

<p>I. Format of the Application for assistance under ASHA</p> <p>II. Format of Proceedings to sanction the assistance</p> <p>III. Format of the Agreement for assistance</p>	
<b>Funds</b>	
<p>28. The funds for this scheme can be sourced from the H/A: 2851-00-104-84- Entrepreneur Assistance Scheme in Handicrafts / Artisan Sector in which Rs.30.00 lakhs is earmarked in the current Fiscal.</p>	<p>30. The funds for this scheme can be sourced from the H/A 2851-00-104-74- Assistance Scheme in Handicrafts Artisans.</p> <p>Sl. No corrected as 30.</p>
<p><b>New Clause</b></p>	<p><b>31. The Director of Industries &amp; Commerce shall have the full authority to amend, if found necessary the Application Forms, agreement and any other annexed formats required for the proper implementation of the scheme, to issue clarifications, make sub-rules with the consent of Government, check list if any, required, without affecting the guidelines.</b></p>

3. The Government order, read as 1<sup>st</sup> paper above stands modified to the above extent only.

(By order of the Governor)  
SUMAN BILLA  
PRINCIPAL SECRETARY

~~The Director, Industries and Commerce, Thiruvananthapuram~~  
The Principal Accountant General (A&E/Audit), Thiruvananthapuram  
The Chief Executive Officer, K-Bip, Thiruvananthapuram  
I& PRD (for uploading)  
Stock File (IND-K3/166/2022-IND)

Forwarded /By order  
Signed by  
S Padmaja  
Section Officer  
Date: 22-11-2023 12:44:51