

Market Development Assistance (MDA) Scheme

Marketing Development Assistance (MDA) Scheme is under operation through the Department of Commerce to support the under mentioned activities:

- i. Assist exporters for export promotion activities abroad
- ii. Assist Export Promotion Councils (EPCs) to undertake export promotion activities for their Product(s) and commodities
- iii. Assist approved organizations/trade bodies in undertaking exclusive nonrecurring innovative activities connected with export promotion efforts for their members
- iv. Assist Focus export promotion programmes in specific regions abroad like FOCUS (LAC), Focus (Africa), Focus (CIS) and Focus (ASEAN + 2) programmes.
- v. Residual essential activities connected with marketing promotion efforts abroad.

2. Administration of the Scheme

- a. The utilization of scheme is administered by the E&MDA Division in the Department of Commerce, Government of India, Udyog Bhavan, New Delhi 110 011. Recognized EPCs on product grouping basis, Commodity Boards and Export Development Authorities are eligible for MDA assistance for development and promotional activities to promote exports of their products and commodities from India.
- b. MDA budget allocation to recognized EPCs and other export promotion organizations for export promotion activities including specific special development and promotional projects are finalized in annual meetings with the respective EPCs, which are chaired, by the Additional Secretary and Financial Advisor (AS&FA), Department of Commerce. Proposals for adhoc grants for exclusive innovative export promotional activities, which are considered helpful to promote exports of Indian products and commodities are examined by the E&MDA Division and decided with the approval of the AS&FA.
- c. Proposals of individual exporters for eligible MDA supported activities like participation in EPC led Trade Delegations/BSMs/Trade Fairs/Exhibitions for reimbursement of MDA assistance will be considered and approved by the Chief Executive Officer of the Export Promotion Councils/FIEO etc.

3. Assistance to individual exporters for export promotion activities abroad, Participation in EPC etc. led Trade Delegations/BSMs/Trade Fairs/Exhibitions:

Exporting companies with an f.o.b. value of exports of upto Rs. 15 crore in the preceding year will be eligible for MDA assistance for participation in trade delegations/BSMs/fairs/exhibitions abroad to explore new markets for export of their specific product(s) and commodities from India in the initial phase. This will be subject to the condition that the exporter is having complete 12 months membership with concerned EPC etc. and filing of returns with concerned EPC/organisation regularly. However, this condition would not apply in case of a new EPC for a period of 5 years from the date of its creation.

Assistance would be permissible on travel expenses by air, in economy excursion class fair and/or charges of the built up furnished stall. This would, however, be subject to an upper ceiling mentioned in the table per tour.

S No.	Area/Sector	No. of visits	Maximum Financial ceiling per event
(1)	(2)	(3)	(4)
1.	Focus LAC	1	Rs. 1,80,000
2.	FOCUS AFRICA (including WANA Countries)	1	Rs. 1,50,000
3.	FOCUS CIS	1	Rs. 1,50,000
4.	FOCUS ASEAN+2	1	Rs. 1,50,000
5.	General Areas	1	Rs. 80,000*
	TOTAL	5	General Areas

The participation of individual companies in the above activities shall be subject to the following conditions:

- (i) For EPC etc. led Trade Delegations/BSMs only air-fare by Economy Excursion class upto a maximum of Rs. 70,000 (Rs. 1,00,000 in case of Focus LAC) shall be permissible. For participation in Trade Fairs/Exhibitions reimbursement shall be permissible subject to ceilings mentioned in the column 4 in the above table.
- (ii) Maximum number of permissible participations shall be five in a financial year as indicated in above table (No travel grant is permissible for visit to General Areas). However, for priority sectors, having large employment generation potential, viz. Agriculture including food items, Handicrafts, Handlooms, Carpets, Leather & Minor Forest Produce including LAC, 2 (two) participations in General Areas would be admissible with the assistance of Rs. 1,50,000 for each participation. The exporters availing of assistance under this provision would, however, be in addition to these participations, eligible for only any 2 Focus Area participations.

- (iii) Assistance shall be permissible to one regular employee/director/partner/proprietor of the company. Assistance would not be available to exporter of foreign nationality or holding foreign passport.
- (iv) Intimation application must be received in the concerned EPC etc. with a minimum of 14 days clear advance notice excluding the date of receipt of application in the office of the concerned organization and the date of departure from the country.
- (v) The company shall not be under investigation/charged/prosecuted/debarred/black listed under the Foreign Trade Policy of India or any other law relating to export and import business.
- (vi) Member exporters of EPCs etc. would also be eligible for MDA assistance for participation in events organized by ITPO abroad. Their applications / claims would be routed/reimbursed through concerned EPC etc.
- (vii) Maximum MDA assistance shall be inclusive of MDA assistance received from all Govt. bodies/FIEO/EPCs/Commodity Boards/Export Development Authorities/ITPO etc.,
- (viii) A Maximum of three participations in a particular trade fair/exhibition would be eligible for MDA assistance and exporting companies after availing assistance three times including past cases for a particular fair/exhibition, have to participate in that fair, if any, on self-financing basis.

S.No	Permissible Items of expenditure under MDA	Percentage of funding under MDA
(I)	Participation in Fairs/Exhibitions abroad by EPCs etc.	
1.	Central Stall of Council (i) Rent of Council's area (ii) Other organizing expenditure	60% of (i)+(ii) (subject to a ceiling of Rs.15 lakh per event)* However, if the event is conducted in more than one country during the same tour, additional expenses @ 60% of the rent and organizing expenses not exceeding Rs. 15 lakhs per country shall be allowed.
2.	Air fare for official of EPC in economy excursion class(visa charges to be met by the Council)	100%
3.	D.A. for official of EPC etc.: As per notified MEA rates for Govt. officials of equivalent status.	100%
4.	Hotel stay for official of EPC : On scales applicable to equivalent Govt. officials on duty abroad and subject to furnishing of original bills (with upper ceiling of US\$150 per night stay)	100%
5.	Entertainment: (i) For EPC sponsored activity led by Chairman. (ii) For EPC sponsored activity led by Vice-Chairman/E.D/ Addl. E.D. (On production of bills)	US \$ 500 US \$ 250

(II)	EPC sponsored Buyer Seller Meets/Trade Delegations abroad:	
1.	(i) Venue Cost (ii) All other organizing expenditure	60% of (i)+(ii) (subject to a ceiling of Rs. 15 lakh per event) However, if the event is conducted in more than one country during the same tour, additional expenses @ 60% of the rent and organizing expenses not exceeding Rs. 15 lakhs per country shall be allowed.
2.	Air fare, DA, Hotel stay, for one official of EPC	As applicable in the case of participation in fairs/exhibitions
3.	Entertainment	As applicable in the case of participation in fairs/exhibitions
(III)	Promotional Activities within India by EPCs etc.:	
1.	Organizing seminars, workshops etc., on quality upgradation, awareness creation etc., with focus on export promotion. (i) Venue cost (ii) All other organizing expenditure	60% subject to maximum ceiling of Rs.1,00,000/- per event.
2.	Organisation of important international fairs/ exhibition in India.(support from MDA only for three years) (i) Venue cost (ii) All other organizing expenditure	60% of (i) + (ii) (subject to a ceiling of Rs.15 lakh per event)

3.	Buyer Seller Meets in India (i) Venue Cost (ii) All other organizing expenditure	60% of (i) +(ii) (subject to a ceiling of Rs.15 lakh per event)
<i>(IV)</i>	PUBLICITY:	
	(i) Publication/publicity with focus on export promotion and brought out for circulation/use of overseas buyers/organizations (ii) Advertisement abroad (iii) Publication for circulation to the members and publicity within the country etc.	60% of net approved expenditure after accounting for the revenue generated through the sales, advertisement. etc.) Not an eligible item.

Note:

(1) Expenses relating to stay, per diem allowance, local travel etc. of Council's official etc. for activities within India are to be met by the EPCs etc.

(2) MDA grant required for exporters accompanying the EPCs etc. led delegation/Trade fair/Exhibition is required to be shown along with Budget of each Activity in the Annual Action Plan.

(3) In case where the activities are planned as a part of the "Made in India" Trade Promotion initiative of the Department of Commerce, Government of India, the scale of assistance may be increased upto 90% of the venue cost and organizing expenditure.

FOR ACTIVITIES UNDER THE FOCUS-AREA PROGRAMMES

S.No.	Permissible Items of expenditure under MDA	Percentage of funding under MDA
1.	(i) Participation in International Fairs/exhibitions organised by EPCs etc. (ii) Sponsoring BSMs/Trade delegations abroad by EPCs etc.	As applicable in non-focus area with ceiling of Rs.15 lakh.
2.	Reverse Trade visits of prominent foreign buyer/ delegates/journalists to India for participation in BSMs/ exhibitions etc.: (i) Return air-fare travel expenses in economy excursion class upto the entry point in India and hotel charges etc. (ii) Venue charges (iii) All other organizing expenditure. All other expenses relating to stay, per diem allowance, local travel etc. of delegates invited from abroad are to be met by the EPC or by sharing between the organizers and delegates.	(i)100% (subject to a ceiling of Rs.1,00,000/- for LAC and Rs.70,000/- for other Focus areas) (ii)&(iii) As applicable in non-focus area with ceiling of Rs. 15 lakh
3.	Translation facilities in foreign languages and vice versa	60%
4.	Product catalogue in CD ROM	60%

6. Participation/organization of export promotional activities shall be subject to the following conditions:

- a. The exporters participating in EPC sponsored trade delegations and fairs/exhibitions/buyer cum seller meets etc. abroad shall receive the MDA assistance on reimbursement basis on scales.
- b. One official of the EPC (subject to an upper ceiling of two visits in one financial year by individual official) can accompany EPC sponsored trade delegation/organized participation in trade fair/exhibition followed by BSM. This would, however, be subject to the condition that a minimum of five exporters participates in such events except in case of established trade fairs where this condition shall not apply for two such fairs in a financial year with the prior approval of the Joint Secretary of the concerned commodity/territorial division . In rare circumstances, the Joint Secretary of the concerned commodity/territorial division can also relax the condition of a maximum of two visits by an individual official in a financial year. However, in case the number of participants for a particular event goes beyond 20 (Twenty), MDA assistance for one additional official of the EPC for every block of 20 participants shall be permitted.
- c. Per diem allowance, hotel charges etc. would not be permissible from MDA funds to exporters/elected office bearers of the EPCs etc. traveling abroad.
- d. MDA assistance shall be limited to 60% of the total approved cost (upto 90% in case of Made in India shows) and the remaining has to be met by the EPCs from the contributions from participants, members, trade etc.
- e. For Reverse Trade Visits the air-fare by economy excursion class for invited delegates would be subject to the upper ceilings of Rs.100,000/-for LAC region and Rs.70,000/- for CIS, Africa and ASEAN+2 regions.

DOCUMENTATION FOR REIMBURSEMENT OF ASSISTANCE TO EXPORTERS:

- (a) Intimation application in Annexure V duly completed and signed shall be submitted by the exporter to the concerned EPC etc. giving clear 14 days advance notice. Intimation and the application must be sent electronically by email also.
- (b) Concerned Organization (FIEO, EPC etc.) on receipt of intimation shall immediately issue acknowledge receipt. Thereafter they will examine and issue approval letter to the exporter preferable within 5 working days of the receipt of the intimation, in the prescribed format.
- (c) Claim along with the declaration duly completed and the Certificate duly signed by a Chartered Accountant shall be submitted by the exporter to the concerned Organization (FIEO), EPC etc.) in the prescribed format along with under mentioned papers immediately on return to India after completion of the activity but positively within 45 days of their return to India:
 - a. Details of activity undertaken earlier with MDA assistance to the same country/countries.
 - b. Legible photocopy of passport highlighting the entries about departure from and arrival into India and also the countries visited. In case, passport does not have arrival/departure dates regarding visits to various countries, some

documentary evidence such as Hotel Bills, Boarding pass, lodging pass etc. be submitted.

- c. Original air ticket/jacket used during the journey. If Original air ticket/jacket is lost, a legible photocopy of the same along with a certificate from the concerned airline indicating following may be sent:
 - a) Name of the traveler
 - b) Ticket number
 - c) Flight No.
 - d) Date of departure from India
 - e) Sectors/countries visited
 - f) Class in which traveled
 - g) Economy excursion class fare for sectors/countries visited.

Self certified f.o.b. value export figures during the last three financial years, year wise. Brief report about the activity participated and achievements made.

- (d) Claim forms duly filled in and complete in all respects must be submitted to the concerned EPC, FIEO etc., within 90 days of return to India would. However, claims submitted within 30 days from the expiry of the 90 days period may be entertained by or wherein the deficiencies in the claim as intimated by the concerned EPC, FIEO etc., with 10% deduction. The claims which are submitted after 120 days of return to India shall not be entertained under any circumstances. Any deficiencies in the claim as intimated by the concerned EPC, FIEO etc., must be completed within 30 days of the date of directions given in this regard failing which the claim shall stand rejected without any further intimation or reminder in this regard by the concerned EPC, FIEO etc. .