



GOVERNMENT OF KARNATAKA

No: CI 174 SPI 2016

Sachivalaya, Vaasa Soudha
Dr. B.R. Ambedkar Veedhi
Bengaluru, dated: 21.04.2017

ADDENDUM

Sub: Operative Guidelines for Market Development Assistance for participation in international trade fairs and exhibitions to Micro & Small Manufacturing Exporters.

Read: Government Order No: CI 174 SPI 2016, dt: 24.06.2016.

-:0:-

In the Government Order No: CI 174 SPI 2016, dated: 24.06.2016, in Order portion of B. Eligibility Criteria, the point

- iv. Shall have done an average exports with FOB value of Rs.10.00 lakhs per year in preceding two years for the first time of availing MDA and Rs.50.00 lakhs per year for subsequent instances

after this

please add the following:

- a) First preferences for event shall be given to those qualifying prior exports qualifying criteria as above.
- b) In case of lack of sufficient response from 'a', potential MSME units interested in exports qualifying all other conditions shall be considered.

JD (EO)

Pl file the
amendment in the concerned
file and put up for uploading
on the website of UTDC.

Rao
9/5/17

By Order and in the name of the
Governor of Karnataka,

S. Umadevi 21/4/17
(S. Umadevi)

Desk Officer (Technical Cell),
Commerce & Industries Department.

To,

B 9/5/17

1. The Principal Accountant General (G&SSA), Karnataka, New Building, 'Audit Bhawan', Post Box No. 5398, Bengaluru-01.
2. The Principal Accountant General (E&RSA), Karnataka, New Building, 'Audit Bhawan', Post Box No. 5398, Bengaluru-01.

3. The Principal Accountant General (A&E), Karnataka, Park House Road, Post Box No. 5329, Bengaluru-01.
4. Additional Chief Secretary to Government, Finance Department, Vidhana Soudha Bengaluru-01.
5. The Commissioner for Industrial Development and Director of Industries and Commerce, Khanija Bhavan, Bengaluru-01.
6. The Director of Treasuries, State Huzur Treasury, Bengaluru.
7. The Managing Director, Karnataka Udyog Mitra, Khanija Bhavan, Bengaluru-01.
8. The Managing Director, Vishveshwara Trade Promotion Centre, BMTC Complex, Shanthi Nagar, K.H. Road, Bengaluru-27.
9. The President, KASSIA, #1/106, 17th Cross, Magadi Cord Road, Vijayanagar, Bengaluru-40.
10. The Director (Technical Cell), Commerce & Industries Department, Vikasa Soudha, Bengaluru-01.
11. PS to Minister for Large & Medium Scale Industries & Infrastructure Development, Vikasa Soudha, Bengaluru-01.
12. PS to Additional Chief Secretary to Government, Commerce & Industries Department, Vikasa Soudha, Bengaluru-01.
13. Guard File / Spare Copies.



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Operative Guidelines for Market Development Assistance for participation in international trade fairs and exhibitions to Micro & Small Manufacturing Exporters.

Read: 1) Government Order No. CI 58 SPI 2013, dated: 01.10.2014.
2) Government Order No. CI 63 SPI 2013, dated: 15.03.2013.

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PREAMBLE:

The State Government considers industrial growth as a means to mitigate poverty and unemployment. Development of industry, trade and service sector promotes higher capital formation, improves per capita income level, absorbs surplus work force. To realize these benefits and expedite socio economic changes, the State accords top priority for industrial development. The Industrial Policy 2014-19 aims to enhance the contribution of manufacturing sector to the State GDP from present level of 16.87% to 20% by the end of policy period, read at (1) above. The industrial policy has a vision to enhance the share of exports in GSDP to 60% in the next five years from the present level of 48%. Accordingly various strategies are planned. The State Government has announced Market Development Assistance scheme for the benefit of industrial fraternity.

In order to encourage Small and Micro manufacturing exporters to participate in international trade fairs & exhibitions and to showcase their inherent strengths of innovative products, prototypes, models etc., and thus earning substantial foreign exchange to the country through their business development, MDA scheme plays a vital role.

In the existing MDA guidelines read at (2) above, the eligibility criteria are not properly defined considering various aspects like minimum export value per year, various documents required, etc. and approval mechanism is not defined. In this background, Managing Director, VTPC has suggested to bring the amendments to operative guidelines and Commissioner for Industrial Development and Director of Industries and Commerce has recommended the same.

Considering all the above points, it is felt necessary to issue new operative guidelines for MDA scheme. Hence the order:

GOVERNMENT ORDER NO. CI 174 SPI 2016, BENGALURU,
DATED: 24.06.2016

In the Circumstances as explained in the preamble, Government is pleased to accord approval for the operative guidelines for MDA scheme as under.

A. Objective:

- i) To encourage small and micro manufacturing exporters in their efforts at tapping and developing overseas markets.
- ii) To enhance export from the small and micro manufacturing enterprises.

B. Eligibility Criteria:

- i) Small and Micro manufacturing enterprises having valid MSME registration / Udyog Aadhar number.
- ii) Shall have IEC registration.
- iii) Shall have obtained VTPC membership.
- iv) Shall have done an average exports with FOB value of Rs. 10.00 lakhs per year in preceding two years for the first time of availing MDA and Rs. 50.00 lakhs per year for subsequent instances.
- v) Proprietor in case of proprietary firm, any one of the partner in case of partnership firm, any one Board of Director in case of limited companies.
- vi) The MDA can be availed by eligible individuals as listed in sl.no. (V) above or by delegations. The delegation size shall not exceed 10 numbers. Each of the member of delegation should be eligible under the scheme.
- vii) Firms can avail this facility once in a financial year.
- viii) Firms are eligible MDA assistance for a maximum of four times.
- ix) Firms can avail the financial assistance under the scheme for visiting two events in a particular country provided the firms have business in such country; each visit shall not be in the same financial year.
- x) Firms to participate in International Exhibitions and Trade Fairs relating to their line of activity.

C. Financial Assistance:

- a) South American Countries: Assistance upto Rs.1.75 lakh with the following component-wise cap:
 - i) 75% of the economy air Fare subject to a maximum limit of Rs.1.00 lakh.
 - ii) 50% of stall rentals subject to a maximum of Rs.50,000/- (for women & SC/ST entrepreneurs 100% of stall rentals shall be reimbursed subject to maximum Rs.50,000/-).
 - iii) 50% of freight charges subject to a maximum of Rs.10,000/-.
 - iv) DA of \$100 per day for maximum three working days.
- b) Other countries: Assistance upto Rs.1.50 lakh with the following component-wise cap:
 - i) 75% of the economy Air Fare subject to a maximum limit of Rs.75,000/-.

- ii) 50% of stall rentals subject to a maximum of Rs.50,000/- (for women & SC/ST entrepreneurs 100% of stall rentals shall be reimbursed subject to maximum Rs.50,000/-).
- iii) 50% of freight charges subject to a maximum of Rs.10,000/-.
- iv) DA of \$ 100 per day for maximum three working days.

D. MDA approval committee:

A committee under the Chairmanship of Commissioner for Industrial Development and Director of Industries & Commerce be constituted with Director (Technical Cell), Joint Director (AEP), Managing Director, VTPC shall be the convenor of the committee.

- The Committee will accord in-principle approval to eligible enterprises prior to commencement of journey or prior to participation in the event.
- The Committee will also accord financial approval to clear the actual claims of the participants cleared earlier in-principle.

E. Procedure to avail MDA:

- i) Calendar of overseas events shall be published by VTPC on the web portal.
- ii) The application must reach the office of VTPC at least one month in advance of the commencement of the event for in principle approval. The application must be accompanied by the documents as listed in the checklist.

For in principle approval:

- a. Duly filled application form in part-I.
 - b. Company Profile.
 - c. Recommendation letter / Invitation letter.
 - d. Affidavit from the Unit / Company, has not availed MDA for the country proposed in the past, on number of MDAs availed, not availed MDA assistance from other agencies of GOI.
 - e. Copy of Import Export Code Certificate (IEC).
 - f. Copy of MSME Certificate / Udyog Aadhar Certificate.
 - g. Category (Women/SC/ST).
 - h. Copy of VTPC membership certificate.
- iii) All the received applications shall be put up on the web portal.
 - iv) VTPC shall scrutinise this application with the approved events list within one week and place before the MDA approval committee, which will meet and issue in-principle approval for the eligible enterprises to participate in the event.
 - v) The participant should travel only after obtaining in principle approval for making claims later for MDA.

MDA Claims:

- i) On completion of participation, the applicant shall claim for MDA within one month of date of completion of event, in the prescribed format in part - II along with the documents mentioned in the checklist.

Checklist:

- a. Copy of Pass Port, VISA and a page containing stamping of immigration authority in India and destination country.
 - b. Copy of Air ticket (Economy Class).
 - c. Original Boarding Passes.
 - d. Proof of Stay at the location.
 - e. Copy of Original CA Certificate.
 - f. A one page tour report of business development activities under taken, to be typed on letter head duly signed by Participant.
- ii) On scrutiny of the MDA claim the subject shall be brought before MDA approval committee chaired by Commissioner for ID and Director of Industries and Commerce.

F. Method of Disbursement of MDA:

- i) As approved in the committee, MD, VTPC to issue office order regarding sanctioned amount as MDA.
- ii) The sanction amount would be released directly to applicant firm's bank account through RTGS depending on availability of funds and seniority.

Application for Market Development Assistance for participation in International Trade Fairs and Exhibitions to Small & Micro Manufacturing Exporters in part - I & II is Annexure to this Government Order.

The expenditure shall be met from the regular budgetary support given to VTPC and no additional funds should be sought for this scheme.

The existing MDA guidelines vide Government Order read at (2) above stands withdrawn.

By Order and in the name of the
Governor of Karnataka,

S. Umadevi 24/6/16
(S. UMADEVI)

Desk Officer (Technical Cell),
Commerce & Industries Department.

To,

The Compiler, Karnataka Gazette, Bangalore for publication in the next issue of the Gazette.

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