

**OPERATIONAL GUIDELINES FOR  
“DOMESTIC MARKET PROMOTION SCHEME”**

**Background**

Coir Industry, originated in the erstwhile Travancore state of pre independent India one and a half centuries ago, was considered to be an export oriented industry. The Industry, in its initial stages, was developed and nurtured in an organized manner by the Europeans.

The Coir industry over the years, especially due to the developmental initiatives of the Central Government from the 7<sup>th</sup> plan period onwards, has proliferated to other parts of the country. As of now there are 14 states / Union Territories in the country engaged in coir production activities. There is tremendous untapped potential for extension of the coir industry throughout the coconut producing regions and for enhanced utilization of raw material. The industry has very good prospects for employment / enterprises creation in the rural India which can contribute to the income generation of the economically weaker sections especially the women workforce.

Development of a strong and stable domestic market for coir and coir goods would certainly go a long way towards increased returns to the manufactures, employment / entrepreneurship development, increased raw material utilization etc. A strong Domestic market would also help to tide over any possible adversities in the export market due to competitions, economic slowdowns, trade / tariff barriers etc.

Even though the coir industry has proliferated to different parts of the country it remains as a highly unorganized and scattered sector. The industry continues to be one with low production and low technology in many parts. The manufactures predominantly being house hold/tiny and small scale units, cannot afford to take up publicity and propaganda to capture the market and to establish regular marketing channels. The Coir Board, as the national agency for the development of coir industry has to take the lead In this regard with necessary support and promotional measures. In addition to providing supporting measures in the marketing

of products necessary steps for the creation of awareness of the product, technology, prospects, employment opportunities through appropriate publicity and propaganda efforts too are required. These efforts assumes greater importance for the achievement of the overall objectives envisaged during the 12<sup>th</sup> five year plan like enhanced raw material utilization, value addition of raw material, employment creation, increased GDP on coir etc.

In pursuance of Section 10(1) of Coir Industry Act 1953, Coir Board has been taking various measures for popularizing coir and coir products and expanding the domestic market. Establishment and maintenance of Showroom and Sales depots, participation in fairs / exhibitions organized by other agencies and organizing exclusive fairs for Coir and coir goods within the country, providing Market Development Assistance to State supported organizations for enlarging marketing network, organizing generic publicity through press, television, website and radio and erection of hoardings, fixing of quality standards, inspection and a certification of quality of coir goods are some of the measures taken by Coir Board towards achieving the objective.

The scheme will have to following three components.

## **1. MRKET DEVELOPMENT ASSISTANCE**

### **OBJECTIVES**

The Market Development Assistance Scheme has been introduced by the Coir Board w.e.f. 2000-2001 in lieu of the Rebate Scheme that was in operation in the Coir Sector till 1999-2000. The MDA is linked with the sales performance of the concerned beneficiary organization and aims at providing incentives for better performance.

The Objectives are:

- i) To promote the sale of coir and coir products manufactured by the Co-operatives and Public Sector Enterprises committed to payment of minimum wages and other obligatory benefits to the coir workers and thereby

encouraging sustained production and better employment opportunities.

- ii) To provide financial support on a continuing basis round the year to the Co-operatives and Public Sector Enterprises who undertake market development programme in coir.

## **2. QUANTUM OF ASSISTANCE**

The Scheme proposes to provide financial assistance to the Apex Co-operative Societies, Central Co-op. Societies, Primary Co-operative Societies, Public Sector Enterprises in the coir industry and the Showroom and Sales Depots / Hindustan Coir of the Coir Board. The MDA is granted at the rate of 10% of their average annual sales turnover of coir products including coir fibre, coir pith, coir pith block, coir pith products, coir pith organic manure, coir yarn, mats, mattings, rubberized coir goods, coir geotextiel, garden articles, coir Bags, coir umbrella, coir chapel, coir ornaments, coir handicrafts, coir wood and other innovative products during the preceding three financial years. This Assistance will be shared on 1:1 basis between the Central Government and the concerned State/Union Territory Government. The disbursement of Central share of MDA will be subject to the budgetary outlay available with the Coir Board under the relevant schemes.

## **3. UTILISATION OF THE ASSISTANCE**

The assistance provided under the Scheme must essentially be utilized for the following purposes:

- i) Publicity
- ii) Opening of New Showroom/Sales Outlet
- iii) Renovation of existing Sales Outlets
- iv) Market study
- v) Setting up of Market Intelligence net work/ up-gradation of design facilities like installation of Computer, Aided Design

Centre, engagement of qualified designers, introduction of e-commerce facilities, computerization of Showrooms etc.

- vi) Godown
- vii) Innovative Marketing Strategies including payment of discounts.

#### **4. SUBMISSION OF CLAIMS AND PROCEDURE FOR DISBURSEMENT OF CLAIMS**

- i) The State/UT Government shall communicate in advance their willingness to participate in the MDA Scheme subject to the conditions stipulated under the Guidelines.
- ii) The State/UT Government may issue specific orders in this regard and provide adequate budgetary provisions.
- iii) The Central Share of 50% of the Market Development Assistance will be disbursed by the Coir Board in lumpsum to the State/ UT Governments subject to availability of necessary funds in the Annual Plan budget of the Coir Board. It shall be the responsibility of the State/UT Governments to disburse the assistance to the concerned beneficiary organizations.
- iv) In the case of claims from the Apex Societies, Central Societies, State owned Agencies and Corporations, the claims will be settled on the basis of the audited accounts of the preceding three years. The beneficiary organization shall submit their claims to the concerned State/UT Government who in turn will submit the claim in the prescribed proforma (Annexure A) along with the supporting documents mentioned therein to the Coir Board. The claims should be accompanied by the documentary proof of matching share released by the State/UT Government, and Utilization Certificate.

- v) While preferring the claims through the concerned State/UT Government, the beneficiary organizations shall submit a utilization certificate to the effect that the assistance received under the scheme during the preceding year was utilized exclusively for the approved purposes as stipulated under para-3 above. This utilization certificate should be countersigned by the State/UT Government authority designated for the purpose.
- vi) In the case of Primary Coir Societies the assistance claimed by the individual Co-operative Society shall be submitted to the State/UT Government who in turn shall submit a consolidated claim in the prescribed proforma (Annexure B) with the recommendation on behalf of all eligible Primary Societies through the designated competent authority.
- vii) The sale of Coir fibre and coir yarn made by the Primary Society to the Apex/Central Society or in the open market will be eligible for MDA. However, the Apex / Central Society would not be eligible for MDA on the sale of coir fibre or coir yarn purchased from the Primary Societies as they claimed MDA.
- viii) The beneficiary Primary Society shall submit a Utilization Certificate to the State/UT Government to the effect that the assistance granted during the preceding year was utilized exclusively for the purposes prescribed under para 3 above. The State/UT Government shall accordingly submit a consolidated utilization certificate on behalf of all the Primary Societies through the competent authority designated for the purpose.
- ix) The concerned State/UT Government may evolve suitable mechanism to collect the claims periodically from the Societies for being consolidated into half yearly/ annual basis so as to prefer the statement of MDA claims in time.
- x) Notwithstanding anything contained herein above, the disbursement of central share of the MDA would be subject

to availability of funds in the annual allocation for the purpose to the Coir Board.

- xi) Government of India has approved release of MDA by way of “on account payment” basis to States against their claim for MDA. Accordingly, on receipt of fund allocation from the Ministry, the State-wise allocation will be released in advance on a quarterly or half yearly or yearly basis  
]subject to availability of funds earmarked for Plan programmes and limiting to the State-wise allocation of central share of MDA. The concerned State Government should monitor the Utilization of the assistance as per the MDA guidelines.
- xii) The concerned State Government should settle the “on account payment” made during a particular year in the first quarter of the succeeding year by providing Utilization Certificate in the manner as prescribed in the guidelines.  
Further release of MDA by way of on account payment during the subsequent year would be considered only on settlement of the payment made last year.
- xiii) Along with preparing the Utilization Certificate relating to a particular year an estimated claim for the next year will also be indicated so as to enable the Board to release the On Account Payment of MDA on that basis.

## **5. GENERAL**

- i) The Central share of the Market Development Assistance will be disbursed on a financial year basis.
- ii) The claims of the beneficiary organizations being forwarded by the State/UT Government in the manner prescribed above should be completed in all respects and should reach Secretary, Coir Board, P.B.No.1752, Kochi-682.
- iii) The State/UT Governments shall furnish promptly any information sought for by the Coir Board in connection with

the implementation of the MDA Scheme, so as to ensure speedier disbursement and effective implementation of the scheme.

## **2 PARTICIPATION IN DOMESTIC EXHIBITIONS**

Organization of exclusive fairs / exhibition for coir and participation in exhibitions organized by other agencies in India could be a component Domestic Market Development. Trade Fairs/Exhibitions provide effective tools of promotion of product with the unique advantage of direct interaction with the prospective customers. It provides opportunity to see the range and assess the product direct in the context of their requirements, thereby facilitating the decision making easier. It also helps to boost up sales through the Board's Showrooms & Sales Depots as well. The Board would be participating in important domestic exhibition, international exhibitions in India and can also organize exhibitions on its own, exclusively for coir and coir products in India. Under both these activities the Board will be offering facilities and providing space to the small scale producers to exhibit and sell their products. In all the activities connected with participating in / organizing domestic exhibitions the GFR procedures and other rules and regulations for procurement of goods and services will be followed by Coir Board.

## **3 PUBLICITY**

One of the major activities of the Board is to give ample publicity for the popularization of Coir and Coir products in the domestic market. Popularization and marketing of the research and development products, customer orientation, popularization of coir products in new user areas, popularization of Board's schemes and services etc. through various publicity measures like release of advertisement in the print and electronic media at DAVP rates, erection of hoardings at vantage points in various parts of the country, printing and distribution of publicity materials like brochures, catalogues etc., release of press/casual advertisements,

production of TV commercial for communication to the target audience for providing message on the products and its applications, printing of an in house magazine “Coir News” for circulation among the trade and industry will be pursued under publicity. The Board will also pursue appropriate publicity and propaganda through innovative media like internet social media Industrial extension, employment / enterprise creation, enhanced raw material utilization etc. would also form thrust areas for publicity in addition to creation of product awareness and marketing.

All the advertisements will be released either through DAVP or at DAVP rates as per the media plan prepared each year.

The Board would follow the GFR and other relevant rules and regulations of government of India for purchase of goods and services required for publicity.

Encl: Annexure-A&B

## ANNEXURE-A

### C E R T I F I C A T E

Submission of MDA claims of Apex Society / Public Sector Undertakings.

1. Name of the State :

2. Name of the Apex Society / PSU :

3. Year to which the claim relates to :

4. Sales Turnover (Rs. in lakhs) :

Sl.No	Year	Coir Yarn	Coir Products	Rubberized Coir	Others (specify)	Total

5. Average Sales Turnover of last three years : `

6. MDA eligibility at 10% of  
the average sales turnover : `

7. Share of the State/UT Government  
and the No: and date of order in which :  
the share was disbursed

Sanction Order No. & Date:

8. Amount of MDA claimed from : `

the Central Government

9.Details of enclosures to

be attached with the certificate :

i. Utilization Certificate No.....Date-----

(for previous year's releases under MDAs)

ii. Original copy of audited certificate signed by CA /  
Statutory Authority with seal

iii. Copy of sanction order referred to in column No. 6 above

**ANNEXURE-B**

**C E R T I F I C A T E**

Consolidated Statement of MDA Claims of Coir Primary Societies

1. Name of the State :

2. Year to which the claim relates to :

3. Sales Turnover :

Item : Coir Yarn / Products ( Specify) :

Sl.No	Name & Regn. No: of Society	Sales during the last three years ( year to be specified)			Average

4. Average sales turnover of all Primary Societies together during the last three years :

5. MDA eligibility at 10% of the average sales turnover :

6. Share of the State / UT Govt. and the No: and date of order in which the share was disbursed .Sanction order No. & Date :

7. Amount of MDA claimed from the Central Govt. :

8. Details of enclosures to be attached with the Certificate :

- i. Utilization Certificate No.....Date.....  
(for previous year's releases under MDAs)
- ii. Original copy of audited certificate signed by CA/Statutory Authority with seal
- iii. Copy of sanction order referred to in column No.7 above

(Name & Signature of the Competent Authority)

Date:

Certified that no MDA has been claimed for the sale of coir yarn/ products procured from Primary Societies for which MDA has been claimed by such Primary Societies.

Date: (Name & Signature of the Competent Authority)