



सत्यमेव जयते

MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES  
GOVERNMENT OF INDIA

CVY

Coir Vikas Yojana

*...from waste to wealth*

COMPONENT 5

DMP

DOMESTIC MARKET PROMOTION

Guidelines



COIR BOARD

(Ministry of MSME, Government of India)

[coirboard.gov.in](http://coirboard.gov.in)

SAVE NATURE.. USE COIR





## **OPERATIONAL GUIDELINES FOR DOMESTIC MARKET PROMOTION COMPONENT**

### **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 labour intensive industry. The Industry, in its initial stages, was developed and nurtured in an organized manner by the Europeans to cater to the needs of the Europe.

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 recessions, trade / tariff barriers, turmoil and other trade hindering factors.

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 infusion in many areas. 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 are also required. These efforts assumes greater importance for the achievement of the overall objectives envisaged during the Fourteenth Finance Commission period ending in 2019-20 like enhanced raw material utilization, value addition to 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. With a view to suit to the requirement of contemporary marketing trend and in line with the policy of Digital India the Board is proposing to set up a Online Marketing Portal for bridging the manufacturers and franchisee network to be set up throughout India. The entire showrooms are to be renovated with jewellery showroom ambiance in a phased manner.

This sub-scheme will have the following components.

## **1. 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 in print and electronic media shall be released either through DAVP or at DAVP rates as per the media plan prepared each year.

Aggressive publicity shall also be undertaken in export markets to promote Indian coir products in print, electronic and other media in close association with Indian Missions and Importers' Associations. Ad campaign shall also be undertaken on buses, trams and trains. Suitable ad campaigns shall be evolved to target the school and college students with the motto of catching them in the budding stage especially projecting the environment friendly attributes of coir products and the need to preserve the nature.



Creation of a brand image for coir products and popularize “Eco Mark” as a mark for quality and identifying a most appropriate Brand Ambassador for the purpose shall form part of this activity.

Ad campaigns shall also be pursued in digital formats like search engine optimization, search engine marketing, content creation, social media networking & marketing, digital display advertising, retargeting & remarketing and mobile marketing.

The Board would be preparing ad films on a product specific basis for the categories of floor covering products, coir pith & garden articles, coir geotextiles & erosion control products, coir mattresses & sleeping accessories and coir wood for screening while participation in domestic and international fairs, seminars in addition to Corporate film on Coir Board and industry. The ad films shall be prepared ensuring visuals of hygienic and international standards including voice modulation.

While implementing projects on applications of coir products like erosion control, embankment protection, slope stabilization etc. the pre and post scenario of the project fields and various stages implementation shall be documented using the services of a reputed industrial photographer for the purpose of creating case studies for presentation and promotion of products.

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.

## **2. PARTICIPATION IN DOMESTIC EXHIBITIONS**

Board organizes participation of Indian coir sector in reputed fairs organized by different agencies and government organizations and also organizes exclusive fairs for coir as Bharath Mahotsav, Coir Darshan etc. In addition to display and sales of coir products, functional applications of coir products shall be lively demonstrated in such events for creating awareness and genuine interests among the target audience

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 and franchisee network 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.

Coir Board is in the pursuit of positioning coir wood as the perfect and environmentally protected substitute for natural wood in all its applications including knockdown furniture and acoustic paneling industry. Coir wood will get more acceptance as the material is derived from the fruit of coconut tree and the wood is stronger than other MDF Boards. After perfecting the coir wood and its standardization, the Board would be organizing participation in important furniture fairs in India. Similarly, the Board will also explore the possibility of organizing a Design Fair exclusively for coir wood with a view to popularize the use of coir wood among the architects and designers.

The Board would also explore the possibilities of recognizing and engaging consultants/ agencies for implementation of projects on application of geotextile in the areas of embankment protection, road stabilization, erosion control, mine reclamation, usage of coir wood for innovative purposes etc on turnkey basis. The consultants / agencies for specific projects shall be elected from the empanelled list on the basis of the preference of the supplier of end user and also on mutually agreed terms and conditions. The consultant / agency shall be responsible for smooth and successful conduct of the project.

### **3. PERFORMANCE LINKED MARKET DEVELOPMENT ASSISTANCE**

#### **3.1. OBJECTIVES**

The Market Development Assistance (MDA) Scheme has been introduced as a replacement for the erstwhile Rebate Scheme existed in the Coir Sector till 1999-2000.

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, Public Sector Enterprises and franchisees who undertake market development programme in coir.

#### **3.2. 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, franchisees appointed by Coir Board 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, matting, rubberized coir goods, coir geotextile, garden articles, coir Bags, coir umbrella, coir chapel, coir ornaments, coir handicrafts, coir wood and other innovative products during the preceding three financial years, subject to the condition that 5% increase should have been achieved over the immediate previous year. **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.**

The MDA will be linked with the sales performance of the individual beneficiary organization/ unit concerned and aims at providing incentives for better performance. The beneficiary/ unit shall be eligible for MDA only if it has individually achieved 5% increase on the turnover of the previous year. In the case of a beneficiary drops its sales turnover for one year it will become eligible for MDA only when it achieves 5% increase over the highest sales achievement made and not from the dropped sales mark.

### 3.3. UTILISATION OF THE ASSISTANCE

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

- i. Publicity – **Both Print & electronic.**
- 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 and other sales campaigns.



### 3.4. 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 lump sum 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. The Apex Societies, Central Societies, State owned Agencies and Corporations shall furnish the claims 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 as per format Annexure I, who in turn will submit the consolidated claim along with the supporting documents, mentioned therein to the Coir Board. The primary societies shall submit their claim as per format Annexure II to the state government/ UT, who in turn will furnish the consolidated claim to Coir Board along with supporting documents and proof of matching share released by the State/ UT Government, and Utilization Certificates. The Franchisees shall apply as per format Annexure III, directly to Coir Board on the basis of books of account audited by Chartered Accountant.
- 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. 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.





- vii. 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.
- viii. 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.
- ix. 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.
- x. 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 the purpose 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.
- xi. 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.
- xii. While furnishing the Utilization Certificate relating to a particular year an estimated claim for the next year will also be furnished so as to enable the Board to release the On Account Payment of MDA on that basis.

### 3.5. GENERAL

The Central share of the Market Development Assistance will be disbursed on a financial year basis.

- i. 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, Coir House, M G Road, Kochi-682016.

- ii. 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.

#### **4. CONSTRUCTION/ RENOVATION/ INTERIOR DECORATION OF NEW AND EXISTING SHOWROOMS/ MARKET DEVELOPMENT CENTRES OF THE BOARD**

The purchase of goods and services shall be made strictly in accordance with provisions of GFR.

##### **4.1 Opening of new showrooms:**

Coir Board is at present having only 30 showrooms and sales depots throughout the country which is quite insufficient to cater to the demand of a huge country like India with vast geographical area and around 125 crore population. The franchisee network to be created by Coir Board would be concentrating on fast moving items which can be sold at a fast speed. But coir industry has multitude of products which can elevate the living status, preserve the nature, reduce the carbon footprint, giving added benefits on health counts etc. which have to be propagated among the public and targeted groups. For this it is necessary to have Board's showrooms in important commercial cities in India. The interior decoration/ renovation of the showrooms will be carried out in a befitting manner with ambiance.

##### **4.2 Construction of Showrooms**

Board is having own land in commercially prime locations at Bangalore, Bhubaneswar and Thanjavur. Board is also trying to get land allotted by State Governments like Tamil Nadu for Chennai for construction of own showrooms for showcasing the product ranges including coir wood. In the first phase Coir Board proposes to construct own showroom in Bangalore, Bhubaneswar and Thanjavur.

##### **4.3 Renovation of existing Showrooms:**

Most of the showrooms and sales depots of the Board are badly in need of renovation so as to improve the sales performance. In some cases the showrooms are having the amenities and fixtures deployed some 25-30 years. As the Board is face lifting its showrooms with trendy and attractive products, it is utmost



essential to renovate the entire showrooms of the Board with ambiance and jewellery showcasing model. The renovation work will be taken up by the Board in a phased manner after due prioritization.

#### **4.4 Setting up of Market Development Centres (MDCs):**

In the fast changing scenario of trade practices, where the trade tools and modules are getting refined, modified, updated in an amazing pace, it is quite inevitable to have Market Development Centres in the Metropolitan cities and centres of other geographical zones. The MDCs shall have the facility to showcase the entire range of products, for conduct of interactive meetings, VVIP interactions, meeting with trade bodies and other stake holders, press meets, small workshops and guest rooms. As a pilot project Coir Board will set up a MDC at New Delhi.

### **5. FIELD DEMONSTRATION/ DISPLAYS**

The lack of awareness on the application of coir products is contributing in a major way for the slowness in the market expansion for coir products. In fact coir products are having immense advantages and unique applications suiting to various requirements need of various sectors and industries. Coir pith can reduce the water requirement as one out of eighth of the normal requirement which will be very useful in water scarcity areas. In tissue culture coir pith plays a unique role in better yield and productivity. Coir geotextile has innumerable applications in bioengineering like erosion/ sediment control, embankment protection, slope stabilization, weed control, rural road construction etc. In all the above applications coir geotextiles can effectively replace synthetic geotextiles than any other natural geotextiles. Coir wood is an excellent substitute for natural wood and can prevent deforestation. But the use of the product and the substitution has to be made popular through demonstration projects and case studies. The Board will undertake demonstration projects on all the above areas keeping social obligation as one of the important riders to select the projects. In bigger apartments, either its office or club room shall be furnished with coir to make them aware of the product. While incurring expenditure under this component the Board will adhere to the provisions of GFR.



**ANNEXURE-I**  
**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. Percentage of increase over the preceding year
7. MDA eligibility at 10% of the average sales turnover : ‘
8. Share of the State/UT Government and the No: and date of order in which the share was disbursed  
Sanction Order No. & Date:
9. Amount of MDA claimed from the Central Government
10. 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. 8 above



**ANNEXURE-II**  
**CERTIFICATE**

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 3years : ‘
5. Percentage of increase over the preceding year:
6. MDA eligibility at 10% of the average sales turnover : ‘
7. Share of the State / UT Govt. 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 Govt.
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.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)



**ANNEXURE-III  
CERTIFICATE**

Consolidated Statement of MDA Claims of Franchisees

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 3years :‘
5. Percentage of increase over the preceding year:
6. MDA eligibility at 5% of the average sales turnover :‘
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

**Declaration**

Certified that MDA claimed for the sale of coir and coir products is for the goods procured from coir manufacturers in India or from suppliers who have sourced the products from Indian coir manufacturers.

Date:

(Name & Signature of the Competent Authority)

**CERTIFICATE**

Certified that MDA claimed by the above applicant for the sale of coir and products has been verified with the books of accounts of the applicant and has been found correct.

Date:

(Name & Signature of the Chartered Accountant with seal)