

GUIDELINES FOR RELEASE OF CENTRAL SHARE OF MARKET DEVELOPMENT ASSISTANCE DURING THE ELEVENTH FIVE YEAR PLAN PERIOD UNDER COIR BOARD.

1. 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 of the Scheme 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 rounded 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 of the Coir Board. The MDA is granted at the rate of 10% of their average annual sales turnover of coir products including coir yarn and rubberized coir goods 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 Showrooms/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.**

The expenditure on discount is limited to 75% of the total MDA availed of by the beneficiary organizations in the 1st year, 50% in the Second Year, 25% in the third year, 10% in the 4th year and Nil in the 5th year onwards.

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) alongwith 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, Comprehensive /General Utilization Certificate etc.**
- v) While preferring the claims through the concerned State/UT Government, the beneficiary organizations shall submit a comprehensive 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 undertaking 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 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 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 preferring 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-682 016 within three months of the close of the financial year. No claims received thereafter shall be entertained.**
- 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.**