

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:1997
ANSWERED ON:06.12.2005
MARKETING DEVELOPMENT ASSISTANCE SCHEME
Manoj Dr. K.S.

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a): whether the Government introduced Marketing Development Assistance Scheme instead of rebate scheme;
- (b): if so, the details thereof and extent to which it would help in promoting industrial growth of small scale industries and agro and rural industries;
- (c): whether the Government proposes to extend Marketing Development Assistance to infrastructure upgradation, purchase of procurement of raw materials;
- (d): if so, the details thereof;
- (e): whether the Government also proposes to enhance the Central assistance to the States under MDA and release the arrears of MDA to the States; and
- (f): if so, the details thereof?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

- (a): Yes, Sir. The Government has introduced the Market Development Assistance (MDA) scheme in the coir sector w.e.f. 2000-2001 replacing the rebate scheme.
- (b): Under the MDA scheme, financial assistance at the rate of 10 per cent of average annual sales turn over of coir products over the last 3 years is provided to the Apex Co-operative societies, Central Co-operative Societies, Primary Co-operative Societies, Public Sector Enterprises in the coir industry and the Showroom and Sales Depots of the Coir Board. The assistance is shared on 1:1 basis between the Central Government and the State/UT Government concerned. MDA funds can be utilized for publicity and promotion, market studies, computerization of showrooms, innovative marketing strategies including payment of discounts, etc., thereby promoting the growth of the coir industries.
- (c): No, Sir.
- (d): Does not arise.
- (e)&(f): An additional amount of Rs. 3.51 crore has been requested in the Revised Budget Estimates 2005-06 to settle the arrears under the MDA scheme.