

SCHEME

FOR EXTENSION OF FINANCIAL ASSISTANCE TO COIR UNITS IN THE BROWN FIBRE SECTOR

TERMS AND CONDITIONS

(Revised vide sanction received from the Ministry of Industry vide letter No.5(20)/96-Coir dated 7th April, 1999)

1. Coir Units desiring to avail of the assistance under the scheme should be registered with the Coir Board under the Coir Industry (R&L) Rules 1958 and also with the Industries Department of the State in which the Unit is located.
2. Assistance under the scheme will be extended only to units outside the cooperative fold.
3. The Units for extraction of coir fibre / spinning of coir yarn should be located in areas with adequate availability of coconut husk / coir fibre.
4. Three phase power supply should be available at the location of the coir extraction unit, except rope / mats & matting / corridor mat units.
5. The applications for grant of financial assistance under the scheme should be recommended by the General Manager, District Industries Centre of the region in which the unit is located.
6. The worksheds shall conform to the type design prescribed by the Coir Board.
7. The equipments eligible for assistance under the scheme shall not be below the standards laid down by the Coir Board.
8. There will be an overall ceiling of Rs.5 lakhs for Units producing multiple items of coir for computing subsidy. The coir units which are producing multiple items like coir fibre, coir yarn, coir mats and coir matting will be treated as separate units producing these items and the ceiling of subsidy fixed for the respective items will be applied in these cases.
9. The ceiling prices of different items of machinery will be fixed by Coir Board after making a fair assessment of probable cost of all components used in the production of machinery items.
10. The machinery manufacturers will have to give a performance guarantee for a period of at least one year to the beneficiaries of the financial assistance scheme. The machinery manufacturers have to execute a Bank Guarantee to the extent of Rs.1 lakh to ensure after sales service and steady supply of spare parts by the manufacturers.

QUANTUM OF GRANT ADMISSIBLE

	Type of Unit	New units 25% of the cost of equipments and infrastructural facilities subject to a maximum of (Rupees)	Modernisation of units 25% of the cost of modernization of equipment and infrastructural facilities subject to a maximum of (Rupees)
1.	Fibre extraction unit	1,50,000	50,000
2.	Rope unit	40,000	20,000
3.	Corridor mat unit/Frame mat unit	40,000	20,000
4.	Mats & Matting unit	60,000	30,000
5.	Spinning unit (Traditional ratt)	40,000	20,000
6.	Motorised ratt coir yarn Spinning unit (Minimum 10 ratts)	1,00,00	50,000
7.	Mechanized (Automatic) Yarn Spinning Unit	1,50,000	50,000
8.	Curling unit	1,00,000	50,000
9.	Rubberised Coir Unit	1,50,000	50,000
10.	Semi automatic loom unit	1,50,000	50,000
11.	Powerloom matting unit	1,50,000	50,000
12.	Coir pith processing unit	1,00,000	50,000
13.	Rubberised backing / edging unit	1,50,000	50,000
14.	Foam / Latex backing unit	1,50,000	50,000
15.	Power generator set / Diesel Engine	50,000	--
16.	Coir ply / matting board unit	1,50,000	50,000
17.	Needle felt unit	1,50,000	50,000

HIGHLIGHTS

- i. Mats and matting units outside the co-operative fold shall be covered under the scheme for grant of financial assistance.
- ii. The rate of financial assistance under the scheme would be 25% subject to the limits cited above.
- iii. The subsidy under this scheme will be inclusive of any other central subsidy that may be available under any other central subsidy scheme including D.B.A. scheme.

11. The assistance for equipments under the scheme shall be within the following limits of overall cost of each equipments. In the case of fibre extraction units, assistance will be granted only to coir units having installed all the machinery listed in any one of the combinations stipulated.

Maximum Permissible Cost of Machinery

A. Coir Fibre Unit

Decorticating unit: -	Buster / Disintegrator Beater / Decorticator Sifter / Revolving Screener Accessories	} →	Rs.3,50,000
Defibering Unit: -	Crusher Defibering Machine (Combing Drum) Turbo Cleaner Sifter / Revolving Screener Conveyer System (Optional) Accessories	} →	Rs.5,00,000
B. Bailing Press (applicable to all combinations) Optional			Rs.1,15,000
C. Willowing Machine			Rs.20,000
D. Soaking Tank (2000 husk capacity)			Rs.60,000
E. Diesel Operated Crusher			Rs.50,000
F. Spinning Ratt (Traditional) per set			Rs.2,000
G. Rope Making Wheels	each		Rs.2,500
H. Corridor Mat Frame and Press			Rs.30,000
I. Sinnet Mat / Rope Mat Tables	each		Rs.1,000
J. Well and Pumpset			Rs.25,000
K. Dye Vat (Copper / SS) (100 Kg. Capacity)			Rs.30,000
L. Rubberised Coir Units			

1	Untwisting Machine		Rs.1,55,000
2	Sheet Machine		
3	Feeder Conveyor		
4	Latex Sprayer		Rs.19,50,000
5	Cutting Machine		
6	Vulcanizing Chamber		Rs.2,80,000
7	Multi Day Light Press	Big Size	Rs.8,50,000
		Small Size	Rs.5,75,000
8	Bandsaw Machine	Big Size	Rs.95,000
		Small Size	Rs.50,000
9	Stitching Quilting Machine		Rs.12,00,000

M. Curled Coir Units

Curling Machine	Rs.3,05,000
Hackling Machine	Rs.50,000

N. Mechanised Yarn Spinning Units

1. Willowing Machine	Rs.20,000
2. Silvering Machine	Rs.50,000
3. Automatic two ply Coir Yarn Spinning Machine	Rs.40,000
4. Balling maching	Rs.7,500
5. Rehanking Frame	Rs.1,000

O. Motorised Ratt Spinning Unit

1. Motorised Ratt	Rs.10,000
2. Willowing Machine	Rs.20,000
3. Rehanking Frame	Rs.1,000
4. Coir Fibre Treatment Tanks each	Rs.35,000
5. Well and Pump set	Rs.25,000

P. Coir Pith Processing Unit

1. Hydraulic Press	Rs.3,50,000
2. Rotary Drier	Rs.1,50,000
3. Revolving Screener	Rs.35,000
4. Air Compressor	Rs.25,000
5. Polythene Sealing Machine	Rs.5,000
6. Sterilisation Equipment / Accessories	Rs.1,00,000

Q. Coir Pith Composting Unit

1. Revolving Screener	Rs.35,000
2. Well and Pumpset	Rs.25,000
3. Refrigerator / Deep Freezer / Cold Room	Rs.25,000
4. Sprinkler, Pipeline and Accessories	Rs.20,000
5. Lab Equipment for Fungal Spa	Rs.1,50,000

R. Semi Automatic Loom Unit

1. Bobbin Winding Machine	Rs.60,000
2. Quilting Device	Rs.1,000
3. Semi Automatic Loom	
1 mtr. Width	Rs.1,50,000
1.5 mtr. Width	Rs.2,00,000
2 mtr. Width	Rs.2,50,000
4 mtr. Width	Rs.4,00,000
4. Dye vat (Copper / SS)	

S. Powerloom Matting Unit

1. Bobbin Winding Machine	Rs.60,000
2. Cops Winding Machine	Rs.24,000
3. Powerloom	
1 mtr. Width	Rs.10,00,000
1.5 mtr. Width	Rs.13,00,000
2 mtr. Width	Rs.15,00,000
4 mtr. Width	Rs.30,00,000

T. Latex Backing Unit

1. Foaming Unit (200 to 400 Litre Capacity - s.s. – 2 Nos.)	Rs.35,000
2. Spreading Unit	Rs.50,000
3. Hot Air Vulcanizing Chamber	Rs.6,50,000

U. Rubber Backing and Edging Unit

1. Hot Press	Rs.6,00,000
2. Mould Sets of 3 (MS or SS) – 6 Nos.	Rs.75,000
3. Rubber Mixing Mill	Rs.3,00,000

V. Bonded Coir Ply Unit

1. Needled Felt Plant or	Rs.1,00,00,000
2. Untwisting Machine And Sheet Forming Machine	Rs.1,55,000
3. Sprayer	
4. Drier	Rs.19,50,000
5. Hydraulic Press	Rs.10,00,000
6. Cutting and Trimming Machine	Rs.1,10,000

W. Needled Felt Plant

1. Carding Machine	Rs.1,00,000
2. Needled Felt Plant	Rs.,1,00,00,000
3. Band Saw (big size)	Rs.95,000

12. In the case of installation of power generator sets / Diesel Engines, the financial assistance will be a one time assistance and all coir units using power, whether existing or new units, will be eligible for the assistance. With regard to the generator sets / Diesel Engines the following conditions are applicable:
- The Unit should produce a no objection certificate from the State Electricity Board for installation of generator set as per rules in the State concerned. (applicable only for gensets).
 - The capacity of the generator set should be subject to the requirement of the unit as specified in the Registration Certificate.
 - The unit should obtain a clearance to the proposal in advance from the Regional Officer of the Coir Board concerned to the State.
 - The generator should be used only for the purpose for which it is installed.
13. The grant as admissible under the scheme should be disbursed to the entrepreneur after the unit goes into production.
14. The entrepreneur availing of the grant under the scheme shall not mortgage the assets except to the financial institutions from whom he might have taken loan for the establishment of the unit.

15. The grant will be sanctioned by the Coir Board on the recommendation of a Committee consisting of:
 - i. The Regional Officer / ESO of the Board, or such other Officer as may be nominated by the Chairman, Coir Board.
 - ii. The Regional Coir Development Officer or ESO of the Coir Board in the State or neighboring States and
 - iii. The General Manager of the District Industries Centre concerned or his nominee not below the rank of an Assistant Director.
16. The Entrepreneur availing of grant will have to execute a bond with the Coir Board, Cochin to the effect that;
 - i. The Machineries / equipment / generator set will be maintained properly.
 - ii. Will be used only for running the coir unit.
 - iii. Will not be shifted from the approved premises.
 - iv. Will not be disposed off without the prior approval of the Board.
 - v. Will be insured for an amount not less than the amount of subsidy granted by the Coir Board.
 - vi. Make available the unit at any time for inspection by the Officers of the Coir Board, or Officers of the Government of the State in which the unit is located.
 - vii. Operate the unit for a minimum period of five years.
 - viii. Abide by the instructions issued by the Coir Board / Central / State Government in regard to the working of the unit.
 - ix. If the conditions laid down are violated, the beneficiary is liable to repay the entire amount of assistance with interest at the rate decided by the Coir Board, to the Secretary, Coir Board, failing which action will be taken against defaulters.
17. The entrepreneur seeking the grant under the scheme should make available to the Committee all relevant records relating to the construction of the building and the purchase of the machinery so as to enable it to determine the quantum of grant admissible.
18. The grant received under the scheme should be recoverable from the entrepreneur.
 - i. Where the assistance under the scheme has been obtained by misrepresentation as to an essential fact or by furnishing of false information; or
 - ii. Where the unit goes out of production within 5 years from the date of commencement of production, except in case where the unit remains out of production for short periods extending to 6 months due to reasons beyond its control, such as shortage of raw material, power etc.
19. A unit which has availed financial assistance would be eligible for financial assistance under modernization only after successful running of the unit for a minimum period of 3 years. The assistance under modernization scheme will be limited to the new work sheds that are to be put up and new equipments for the unit.
20. New unit is a unit which is registered under the Coir Industry (Registration and Licensing) Rules, 1958 but had not completed 12 months from the date of commencement of production.

21. In case of any disputes with regard to grant of subsidy under the scheme, the decision of the Chairman, Coir Board shall be final.
22. The infrastructure also includes work shed, soaking tank, well and pump set. The accessories include the motor, starter, capacitor, main switch and fuse.

EXECUTIVE INSTRUCTIONS

1. The types of design for worksheds of various types of coir units should be as per the minimum requirement of the unit. The ceiling for computation of the subsidy is as follows:

Types of Units	Ceiling for consideration of subsidy
1. Fibre unit	Rs. 1,50,000
2. Spinning unit	Rs. 60,000
3. Rope unit	Rs. 60,000
4. Mats and Matting unit	Rs. 75,000
5. Corridor mats unit	Rs. 75,000
6. Rubberised coir unit	Rs. 1,50,000
7. Curling unit	Rs. 1,50,000
8. mechanized yarn spinning unit	Rs. 1,50,000
9. Others	Rs. 1,50,000

2. Further subsidy under the scheme is available for modernization of the existing unit so as to increase productivity only after a period of 3 years.
3. The subsidy will be sanctioned by the Board on recommendation of a committee consisting of: -
 - i. Regional Officer or the authorised ESO attached to the Regional Office
 - ii. Dy. RCDO or the authorised ESO attached to the concerned State and
 - iii. The General Manager, DIC or any other Officer not below the rank of Assistant Director from the Industries Department.
4. The scheme provides for assistance for modernization of existing coir units. As far as modernization is concerned assistance under the scheme will be limited to new worksheds that are to be put up and new equipments for the unit.
5. For claiming financial assistance separate applications as prescribed should be submitted for each type of unit.
6. In the case of leased land / building the lease deed should be for a minimum period of 10 years.
7. All legal documents in vernacular should be accompanied with legal opinion from a local advocate stating that the documents are in order for availing subsidy from the Board.

8. Claim for financial assistance in respect of machinery will be considered only if the beneficiaries purchase machinery from the coir machinery manufacturers registered with the Coir Board.
9. The copies of all documents in support of the financial assistance should be attested by an authorized Officer of the Board / DIC and countersigned by the RO.
10. The Committee while recommending subsidy has to prepare and attach individual checklist for each equipment, workshed etc. in the prescribed form alongwith other documents, which are included in their recommendation.
11. A second inspection of 5% of the total number of cases recommended will be held by the Senior Accounts Officer or any other officer deputed from Head Office.
12. The Regional Officer concerned will submit monitoring reports at least once in a year in respect of all the coir units availed subsidy from the Board.