



सत्यमेव जयते

MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES  
GOVERNMENT OF INDIA

CVY

Coir Vikas Yojana

*...from waste to wealth*

COMPONENT 1

CITUS

COIR INDUSTRY

TECHNOLOGY UPGRADATION SCHEME

Guidelines

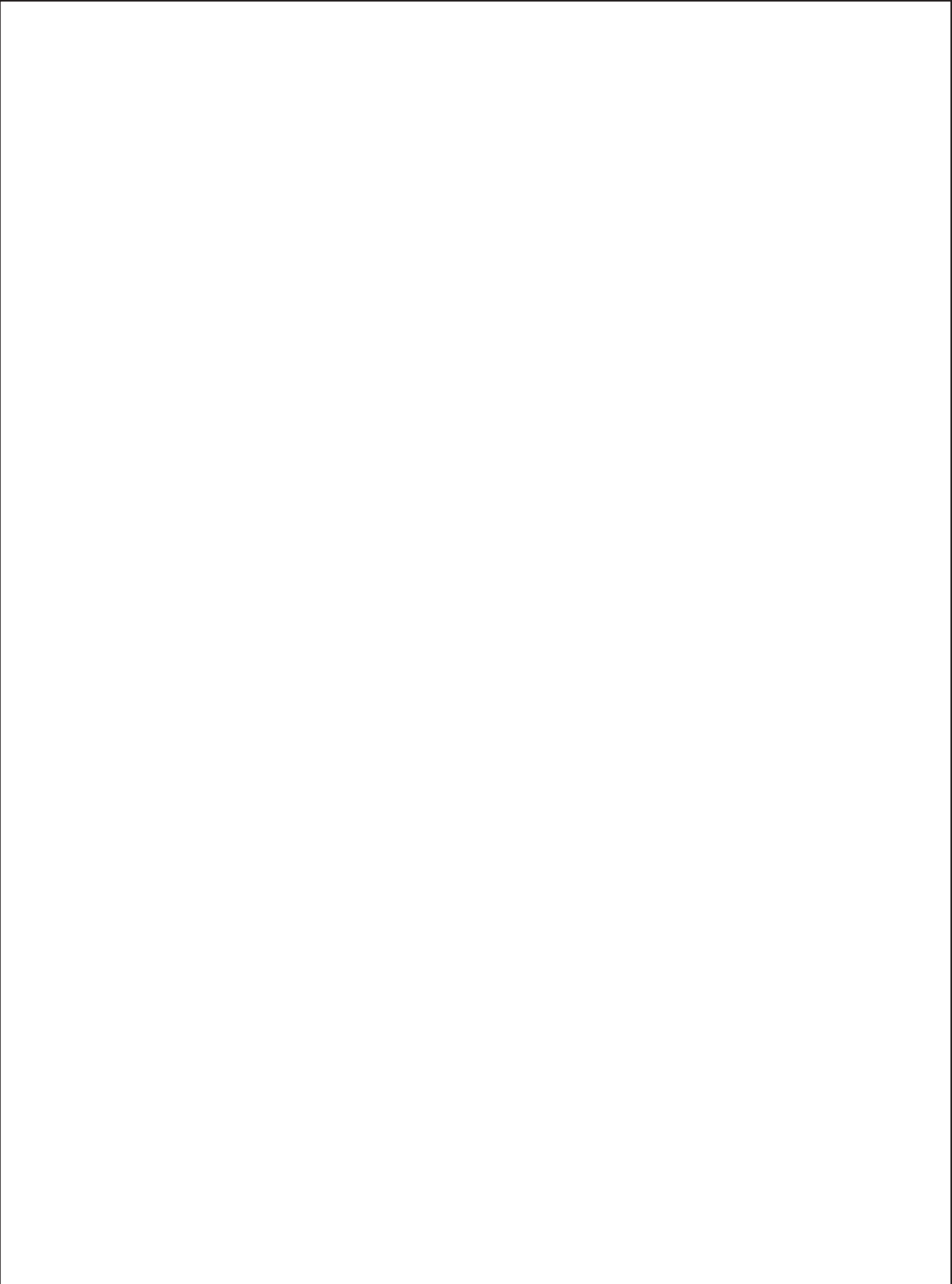


COIR BOARD

(Ministry of MSME, Government of India)

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

SAVE NATURE.. USE COIR





## **OPERATIONAL GUIDELINES FOR COIR INDUSTRY TECHNOLOGY UPGRADATION SCHEME (CITUS)**

### **1. Short Title:**

The component may be called Coir Industry Technology Upgradation Scheme (CITUS)

### **2. Objective:**

The objectives of this component are,

- To provide modern infrastructure facilities to the production units resulting in improvement of productivity and quality.
- To support the establishment of new 'State of the Art' Coir Processing Units.
- To spread the industry to potential areas.
- To promote the enhanced utilization of available raw material.
- To create more employment opportunities, especially for women in rural areas.
- To attract new generation entrepreneurs to the industry.
- To modernise the existing coir units.
- To promote the development and installation of information technology including enterprise resource planning (ERP).
- To support the production of high value customer oriented products.
- To make the Coir Industry integrated and competitive with modern technologies.
- To facilitate the adoption of eco-friendly production techniques.
- To achieve the target of a pollution free coir industry with technological advancements.

### **3. Nodal Agency:**

3.1 Coir Board, Kochi will be the Nodal Agency. The component will be implemented through the Regional/ Sub-regional offices of the Coir Board. Technical interventions, wherever necessary, will be provided by Central Coir Research Institute (CCRI), Kalavoor and Central Institute of Coir Technology (CICT), Bangalore and other institutes engaged in the development and promotion of coir industry. The component will be periodically monitored by the Coir Board and the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India.



- 3.2 The applications for assistance under the component will be invited by Coir Board, at periodical intervals by releasing **All-India** advertisements with particular emphasis in coconut producing regions. Publicity through all other sorts like web based **electronic & IT tools etc.** shall also be undertaken. The component will be popularized through State/UT Govts, Industrial Associations etc..
- 3.3 The applicant/beneficiary unit seeking assistance under this component shall file application online with all relevant details /documents prescribed.
- 3.4 The Regional/ Sub Regional Officers of the Board will conduct on the spot inspection of the unit, verify the documents and recommend the quantum of incentive as per the guidelines and forward their due recommendations for obtaining sanction of the competent authority for release of financial assistance. Application for financial assistance will be duly examined by the above offices to ascertain whether the requirements have been duly complied with and the acceptance/ rejection of the application will be communicated to the applicant within **15** days from the date of receipt of the application. In the case of rejection, **clearcut** reason/s there of shall be communicated to the applicant.

#### 4. Interventions under the component

- 4.1 Assistance under the component will be available to entrepreneurs in the categories of individuals/partnership firms, SHGs, Associations, enterprises from small scale / medium / co-operative/ private sector / public sector, interested for production of value added coir /coir blended items, where coir is the dominant fibre, by setting up new unit or adding to the existing capacity subject to investment **only** in new plant and machinery. No applications from those units exceeding the investment limits prescribed for medium scale enterprises in the MSME Act from time to time shall be considered for the grant of assistance under this component.
- 4.2 All eligible Coir units under the component will be entitled to get financial assistance for procurement of eligible Plant and Machinery for modernisation, upgradation and / or establishing a new unit on making an application in the prescribed format for the purpose. The financial assistance shall be **25%** of the cost of admissible items of Plant and Machinery procured by the Coir units. The upper ceiling of the financial assistance will be Rs.2.50 crores per coir unit/project.
- 4.3 The financial assistance will be payable only in Rupees in India through Direct Benefit Transfer (DBT) mode and Public Finance Management System (PFMS) as reimbursement of the amount invested. The amount will be released after the Coir



Unit installs the eligible machinery and commences its operation. The applicant unit will be at liberty to procure the Plant and machinery from out of the loan of any financial institution/ bank/ leasing company or from own resources.

## 5 Eligibility:

All coir production/processing units newly established will be eligible to apply for assistance. All coir production/ processing units registered with Coir Board under Coir Industry (Registration) Rules, 2008 and having **Udyog Aadhar** are eligible to apply for financial assistance for modernisation under this component. A new unit which has applied for/availed of assistance under this component will have to complete **5** years of successful operation before applying for assistance under modernisation.

The details are as follows:

- i) Financial assistance under this component will be extended to entire coir sector of the country. The units applying for the assistance shall be within the investment limits prescribed for Small and Medium Enterprises under the MSME Act from time to time.
- ii) The application with all relevant documents shall be filed online. The Regional Officer/ Sub Regional Officer/ In-charge of the Coir Board will conduct on the spot inspection of the unit and will verify all the documents and assess the quantum of financial assistance and recommend those cases complete in all respect to Coir Board Head Quarters online for obtaining the sanction from the Competent Authority.
- iii) The equipment and motors eligible for assistance under the scheme shall not be below the standards prescribed from time to time by BIS.
- iv) There will be an overall ceiling of Rs. 2.5 crores for computing financial assistance.
- v) The ceiling of prices of different items of machinery will be fixed and reviewed periodically by a **five member** Technical Committee (TC) **three senior officers & two** representatives from the trade, constituted by Chairman Coir Board from time to time, after making a fair assessment of probable cost of all components used in the production of machinery items. As the cost of machinery and equipment tend to change and additional developments/innovations in machinery/technology are possible, this list will be updated periodically by the TC.
- vi) The machinery/equipments procured should be as per the standards prescribed by the BIS and can be sourced from at the option/choice of entrepreneurs with



- valid receipts/invoice **with GST number** from the open market. Machinery can also be imported for setting up high-tech coir processing units for which the unit shall substantiate the reason for import of machinery.
- vii) The machinery suppliers will have to give a performance guarantee for a period of at least **two years** to the beneficiaries and the copy to be provided while availing the incentive under the scheme. In the case of imported machinery, the units shall produce the invoice, shipping bill etc. certified by Customs Authorities/DGFT/Banks with performance certificate from the supplier.
  - viii) In respect of projects for modernization, the cost of new machinery/equipments/power generators/material handling equipments/conveyors etc. installed/procured will only be taken for arriving at the project cost for calculation of the amount of financial assistance
  - ix) The financial assistance under this component will be available to entrepreneurs who have not availed any Central Government subsidy under PMEGP, CUY, DPI, TUF etc. for the same purpose. An undertaking to the effect that the applicant has neither applied for nor availed of assistance under these programmes/components will have to be furnished while applying for assistance.
  - x) In the case of original documents pledged with banks, the copies duly attested by the Manager of the bank have to be submitted with the application for the assistance.
  - xi) The cases of applications seeking financial assistance recommended by the Regional / Sub Regional Officers of the Board shall be placed before a steering Committee constituted at the Board Head Quarters by the Chairman, Coir Board. The Committee shall have representatives from the CCRI and CICT of the Board, subject experts and representatives from the industry. The steering committee shall meet at **least once in two months**.
  - xii) Even though the scrutiny of the application will be made on first come first served basis subject to the receipt of proper documents, the criteria adopted for selection of beneficiary shall be purely on merits and the rankings given by the "Project Steering Committee."

## 6 Conditions for grant of financial Subsidy:

- i) The Coir production/processing unit desirous of availing the assistance under this component shall install in its declared premises the eligible plant and



- machinery for setting up of new unit/ expansion of existing units, upgradation and modernisation either from own resources or by availing of institutional credit.
- ii) Such acquisition and installation shall be preceded by intimation to Coir Board online about the intention for such expansion, upgradation, modernisation or setting up of new units along with the scheme **& submission of Detailed Project Report (DPR)**. The Coir Board through the CCRI, CICT or any other institution as may be deemed fit by it apprise technically the proposed project/ **DPR/** unit and will inform the applicant for its approval or otherwise of the eligibility of the application for financial assistance. The Coir Board will issue an in principle approval (IPA) to the applicant after examination and appraisal of the proposal. All cases will be discussed and decided in the steering committee at Board's HQ.
  - iii) The applicant will be required to submit claims within one year (to be extended up to 18 months under special circumstances) from the date of commencement of production, **both** in the cases of own source of finance **or Institutional Credit**.
  - iv) However, the Chairman, Coir Board will be competent to condone the delay in submitting the applications, on a case to case basis on merits, on the basis of written appeals submitted to him explaining the reasons behind the delay **upto two years & beyond that upto 3 years by the "Coir Board"**.

## 7 Procurement/Cost of Machinery under the Scheme:

- 7.1 All plant and machinery and equipments required for setting up the coir processing unit shall be of BIS/ Coir Board standards specifications prescribed from time to time and shall be of reputed make and in the case of import of machinery for setting up of high value coir products using high-tech machinery, all relevant documents regarding the import of machinery from the Customs Authorities/ DGFT/Bank along with Performance Guarantee of the machinery should be produced and a certificate stating that these machinery will be used only for coir/value added diversified products/Coir blended items. The estimated cost will be revised by the Technical Committee from time to time, based on the field situations and increase in the cost of inputs for fabrication of the machinery.
- 7.2 In the case of installation of power generator sets/ diesel engines/any non-conventional energy generating equipments separate electrical power line from the rural feeder, incentive will be considered along with the project cost for existing and new units.



7.3 Any addition/ modification to the range of machinery for each type of units due to technological advancements, innovation, new processing technologies, product diversification will be added to the list by the Coir Board as per the recommendations of the Technical Committee from time to time.

## 8 General Instructions:

- a. The financial assistance as admissible under this component will be disbursed to the applicant only after the unit goes into production as reimbursement of investments in Plant & Machinery. In the case of units set up/modernised availing of institutional credit, the assistance shall be released to the Bank account through which the loan/ credit has been availed of.
- b. The beneficiary availing of the financial assistance under this component shall not mortgage the assets except to the financial institution/bank from where he had availed loan for the establishment of the unit.
- c. The coir unit will not be allowed to dispose of the items for which incentive has been disbursed within a period of 7 years from the date of receipt of assistance under the scheme.
- d. To identify machines bought under this component, embossing / engraving Identification Code (IC).On each plant / machine for which the incentive has been provided will be made.
- e. The entrepreneur availing incentive under this component will give an undertaking that the unit has not applied for or availed of subsidy/assistance under any other scheme like PMEGP, CUY, DPI,TUF etc. of the Central Government for the same purpose.
- f. The assistance received from the Board under this component shall be recoverable from the entrepreneur through legal means.
- i. Where the assistance under the scheme has been obtained by misrepresentation of facts or by furnishing of false information; or where the machinery and premises of the unit are used for other purposes than the assistance availed for during the currency period of the assistance. i.e. for 7 years
- ii. Where the unit goes out of production within 7 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, natural calamities etc.





- g. In case of any disputes with regard to grant of incentive under the scheme, the decision of Chairman, Coir Board shall be final.

**9 Maintenance of list of Applicants:**

List of applicants should be maintained at Regional Office/ Sub Regional Office and Head Quarters of Coir Board and also on the Coir Board Website. A data bank should be created in the Coir Board.

**10. Monitoring and Evaluation:**

The monitoring of the units will be undertaken by the Regional/ Sub Regional Offices of Coir Board and by the **Secretary/CEO/Chairman**, Coir Board at regular intervals. The Mid-term appraisal of implementation of the scheme will be got done by the Board through reputed external agencies. Scheme will also be regularly monitored by the Secretary, Ministry of MSME.



## COIR BOARD

(Ministry of Micro, Small & Medium Enterprises, Government of India)

P.B.No.1752, M.G.ROAD, ERNAKULAM, KOCHI-682016

### APPLICATION FOR AVAILING FINANCIAL ASSISTANCE UNDER THE COMPONENT COIR INDUSTRY TECHNOLOGY UPGRADATION SCHEME

#### Part -A

1. Name of Applicant
2. Other Details
  - (a) Date of Birth :
  - (b) Community: SC/ST/OBC/Minority/Others:
  - (c) Gender: Male/Female
3. Address for Communication
  - Address1:
  - Address2:
  - Post Office:
  - Taluk:
  - Village:
  - District:
  - State:
  - PIN Code:
  - Telephone / Mobile No:
4. Aadhaar No of the Applicant:-

#### Part -B

1. Name of the Coir Unit:
  - (a) Catagory:

*Please indicate whether Proprietor / Partnership / SHG /NGO / Pvt. Ltd. Co./ Public Ltd. Co./ Co-operative Society / Others \**



\* Specify:-

(b) Type of Unit

(c) Total investment of the unit.\*

\* Total investment should not exceed the limits prescribed for Medium Enterprises under the MSME Act.

(d) Date of Establishment

DD	MM	YY

(e) Details of Registration under Coir Board Registration Rules 2008

No.								
Date								

(f) Udyog Aadhar No:

No.								
Date								

(g) Details of IPA received from Coir Board (Copy to be enclosed):

(h) Details of commencement of production

DD	MM	YY

(i) Whether land is own or on lease\*:

\* For lease land registered lease deed for a period above 10 years should be attached and for own land legal opinion from a NOTARY Should be attached.

If Partnership concern, please attach the registered partnership deed attested by a notary.

If Company, please attach copies of the Registration Certificate from Registrar of Companies and Memorandum of Association & Articles of Association.

If Co-operative Society, please attach a copy of the registration certificate issued by the competent authority/Registrar of Co-operative Societies.

If NGO/ SHG, please attach a copy of the registration certificate issued by the competent authority may be attached.

2. No of persons employed. (a) **Directly: (in Nos)**

(b) **Indirectly:**



3. Details of Plants & Machinery set up/upgraded\*:

Name of Machinery & Equipment	Capacity	Year of manufacturing.	Name of the manufacturer	Value (in Rs)
			TOTAL	

\* Attested copies of bills, payment receipts, performance guarantee from the machinery manufacturer, documents from electricity authority and validation certificate from a Chartered accountant are to be attached. Machinery/equipment shall be of BIS/Coir Board Standards.

If Machinery is imported, justify the reason for importing\*

\* In case of imported machinery unit shall produce the

Invoice, shipping bill etc certified by Customs authorities/DGFT/Banks

4. Source of funding

Bank	Own sources	Other source

5. If the source of funding is other than own sources, please provide the following details.

- a) Name and address of the Bank/Financial or other institutions from where the fund has been sourced:
- b) Amount of fund sanctioned: Rs.
- c) Details fo Sanction letter (*Copy of the sanction letter and techno financial appraisal of the bank /financial institution to be attached*):
- d) Details of payment/s released to the supplier/s of machinery
  - i. Amount Rs.
  - ii. Name of supplier
  - iii. By Cheque/DD /E-transfer No & Date:



6. If the source of funding is from own resources, Please provide the following information:

a) Details of Payment/s to the supplier/s of machinery:

i. Amount Rs.

ii. Name of supplier

iii. By Cheque/DD /E-transfer No & Date:

7. Details of Bank account

a) Name of the Bank with address of the Branch:-

b) Account No. :

*(Copy of the Bank Pass Book to be enclosed)*

I/We hereby declare that I/we have not availed of any other assistance under any of the other schemes of Govt. of India for the same plant / machinery for which assistance has been claimed hereinabove.

I/We hereby undertake to submit any further documents/ information as maybe required by the appropriate authorities.

I/We hereby undertake not to dispose of the machinery/equipments for which subsidy has been claimed within a period of 7 years from the date of receipt of assistance except with the prior approval of Coir Board.

I/We hereby agree that in case it is found that the assistance has been availed of on the basis of any false information, we shall forthwith refund the incentive availed of to Coir Board along with interest to be charged as per scheme guidelines from the date of disbursal to the date of refund **& will be liable for legal action by Coir Board.**

I/We hereby further agree that I/we shall forth with repay the amount disbursed to me/us under the scheme, if the amount of incentive is found to have been disbursed in excess of the amount actually admissible for whatsoever reason and shall be liable to pay interest at such rate as may be prescribed on such amount and such other charges/expenses which may be payable by us.

Place:

Name and Signature of the applicant

Date:

(Seal)



**Certificate to be issued by Chartered Accountant (Annexure 1 to application form)**

I/we hereby certify from the examination of the accounts and other relevant records of the applicant M/s ..... that I/We found the statements made and particular furnished by the applicant in form no-I annexed here to be corrected according to the books and records maintained by the applicant in the ordinary course of business subject to the following remarks.

Remarks if any:

Signature of the Chartered Accountant :

Name of the Firm :

Registration Number :

(Seal of Chartered Accountant)

Place :

Date :

**Certificate to be given by Coir Unit (Annexure II to the application form)**

Scheduled for fixed assets (machinery) created as on ..... by M/s.....  
..... address.....

**Break up of costs included in the value of assets**

Sl No.	Description of the plant /machinery (item wise)	Quantity	Date of order	Name & address of the machinery manufacturer	Date of creation/ erection	Bill No. & Date	Paid up value of the assets created/ erected Rs.	Bill value of the assets created Rs.

Basic (CIF/ FOB) value	Customs/ Excise Duty	Freight, Insurance and Handling charges	Sales Tax	Erection cost	Others, if any (specify)	Total
(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)



Certified that the assets enlisted in the schedule of fixed assets (machinery) are created in position at site as on ..... and put into operation on .....

Signature (with Seal) of  
Managing Director/ Director/ Secretary of the company

- a. We hereby certify that we have checked the above statement of fixed assets( machinery) with the books of accounts, the invoices and other records maintained by M/s..... as produced, and the information and explanation given, and found the same to be true and in accordance therewith.
- b. We also certify that M/s. .... have acquired and installed the above mentioned assets (machinery during the period from .....to.....
- c. We further certify that the aforesaid items of fixed assets (machinery) have been taken, to the extend paid for, up to..... from..... to.....and exhibited in the relevant books of the company.

Signature of the Chartered Accountant

Place:

Registration No:

Date:

Name of the Firm:

(Seal of the Chartered Accountant)