

# EXPORT PROMOTION SCHEME FOR COIR



## EXTERNAL MARKET DEVELOPMENT ASSISTANCE FOR COIR

### 1. ABOUT THE SCHEME

The Ministry of Agro & Rural Industries, Government of India approved implementation of various Export Market Promotion Programmes for the years 2002-2007. With a view to encourage the small exporters of coir and coir products to undertake promotional measures abroad, Coir Board would be implementing the External Market Development Assistance (EMDA) Scheme for the benefit of exporters of coir and coir products, subject to certain conditions.

### 2. ACTIVITIES COVERED UNDER THE ASSISTANCE SCHEME

- (a) To undertake Sales-Cum-Study Tour, Trade Delegation and Buyer Seller Meets abroad;
- (b) For participation in Trade Fairs & Exhibitions abroad; and
- (c) For Publicity through printed materials

The assistance under the scheme shall be limited to the fund available for implementation of this scheme under the head Export Market Promotion during the Five Year Plan period 2002-2007. The decision regarding admissibility of assistance, quantum of assistance, availability of fund etc. shall be taken by the Chairman, Coir Board, which shall be final.

### 3. ELIGIBILITY

All Exporters of coir and coir products, registered with the Coir Board and having some export with FOB turnover of less than Rs.2 Crores worth coir and coir products in the previous year would be eligible for assistance under the scheme, provided they have not availed the facility from any other source for the same purpose or participated three times in the same exhibition or undertaken sales promotion tour to the same destination for three times with government assistance.

### 4. PERMISSIBLE LIMIT

- 1. Sales cum Study Tour, Trade Delegation and Buyer Seller Meet
- 2. Participation in Exhibitions abroad.

Maximum three combined events in a financial year i.e. two Sales Tours/Trade Delegation/Buyer Seller Meet and one participation in exhibition or one sales tour etc. and two participation in exhibitions alone will be eligible for assistance.

Assistance for Promotion of Exports to LAC/African Region

In view of the necessity to improve exports to the LAC and African Region Countries, small exporters participating exhibitions/undertaking sales tour to LAC/African countries can also avail assistance for one additional event each i.e. one sales tour and one participation in exhibition over and above the permissible limits specified under Clause 4 above.

### 5. ELIGIBLE ITEMS OF EXPENDITURE & FUNDING PATTERN

(1) Sales-cum-Study Tours/Trade Delegation/Buyer Seller Meet : Permissible on Air Travel Economy Excursion Class and Eurorail - 90% of the fare per tour. The assistance shall be limited to Rs.1.00 Lakh to the Manufacturer Exporter and Rs.90,000/- to Merchant Exporter.

Maximum assistance for sales tour to LAC and African Region Countries would be Rs.1.10 lakhs for Manufacturer exporter and Rs. 1 lakh for Merchant Exporter.

(2) Participation in Exhibitions : Air Travel Economy Excursion Class – 90% of the air fare and 50% of the space rent per participation. Total assistance of Air fare + Space rent will be limited to Rs. 1 lakh to the Manufacturer Exporter and Rs. 90,000/- to the merchant exporter. Maximum assistance for participation in exhibitions to LAC and Focus Africa Countries would be Rs. 1.10 lakhs for Manufacturer exporter and Rs. 1 lakhs for Merchant Exporter.

## 6. GENERAL CONDITIONS

The Sales Tour shall be with a minimum of 4 nights stay abroad excluding journey period.

- ❖ Assistance would be permissible for one Regular employee/Director/Partner/ Proprietor of a Company for air travel in Economy Excursion Class.
- ❖ A maximum of three Sales-cum-Study Tours to a particular country with Government assistance (including past cases) would only be eligible for EMDA.
- ❖ A maximum of three participation in the same exhibition with Government assistance
- ❖ (including past cases) alone will be eligible for assistance.
- ❖ If any other financial assistance has been received from Coir Board for the same purpose, the assistance already received will be deducted from the eligible EMDA and balance alone will be paid.
- ❖ The application for Coir Board EMDA should be given to the Coir Board at least 14 days before departure from India to attend the exhibition/Sales Tour. Date of receipt and date of departure will not be taken into account for the calculation of advance notice.
- ❖ The Company shall not have been charged/debarred/ prosecuted/ blacklisted under the Exim Policy of the Govt of India or by the Coir Board.
- ❖ Claims not satisfying any of the conditions are liable to be rejected summarily.

### 1. DOCUMENTATION FOR SALES TOUR/PARTICIPATION IN FAIRS/EXHIBITIONS ABROAD

- ❖ Application in the prescribed format (Annexure-I for Sales Tour and Annexure-II for Fairs/Exhibitions) duly signed and sealed with 14 days clear advance notice as mentioned under general conditions is required to be fulfilled.
- ❖ The applicant have to submit along with the application a self declaration showing the list of Exhibitions/Sales cum Study Tour undertaken availing assistance from Coir Board or any other sources during the last 5 years counter signed by the Chartered Accountant of the Company/Applicant. This is applicable for new applicants also.
- ❖ The claim in the prescribed format (Annexure-III for Sales Tour etc. and Annexure IV for Fairs/Exhibitions) has to be submitted immediately after completion of the activity but in any case within 3 months of return to India along with the following documents.
- ❖ Bill for Payment as per Annexure-V.

- ❖ Self Certified copy of SSI Registration or valid Coir Board Industrial Unit Registration Certificate in the case of manufacturer exporters. This alone will be considered as proof for manufacturer exporter.
- ❖ Legible copy of passport highlighting the entries about departure and arrival into India and also the countries visited. In case passport does not have arrival/departure dates regarding visits to various countries, documentary evidence such as Hotel Bills, Boarding Pass, Lodging Pass etc. need be submitted.
- ❖ Original Ticket/Jacket used during the journey. If original jacket is lost a certificate from the concerned Airline (as in Annexure-VI) will be accepted.
- ❖ Space Rent receipt/proof of payment in Original or Bank Certificate towards remittance of space rent.
- ❖ Report on results achieved
- ❖ Pre-Receipt (Annexure-VII)
- ❖ A declaration by the applicant as in the format of application.

#### ASSISTANCE FOR PRODUCTION OF PUBLICITY MATERIALS

With a view to encourage the exporters to undertake product promotion through production of product brochures/catalogue for use abroad during sales tour/participation in fairs and exhibitions etc., the exporters of coir would be assisted under the Coir Board External Market Development Assistance Scheme @ 25% of the total approved cost, subject to an upper ceiling of Rs. 15,000/-. This would be subject to meeting the following conditions.

- ❖ The assistance would be extended only for the production of exclusive catalogues on coir and coir products.
- ❖ Assistance would be provided once in a financial year.
- ❖ The exporter should intimate his intention for producing brochure/ catalogue in writing along with a dummy catalogue at least 10 days in advance of undertaking the activity excluding the date of receipt of application and date of release of catalogue/brochure.
- ❖ Coir Board shall acknowledge and intimate approval or otherwise of the application.
- ❖ Quotation from a minimum of three printers is to be obtained and submitted along with the claim. Assistance will however be allowed on the lowest quotation, subject to the upper ceiling mentioned above.
- ❖ The company shall not be under investigation/charged/prosecuted/debarred/blacklisted under the exim policy or by the Coir Board.
- ❖ Maximum assistance shall be limited to Rs. 15,000/- in a financial year.
- ❖ The claim in the prescribed format along with a copy of the brochure/catalogue (self certified), copies of quotations from printers (Minimum three - self certified), self certified copy of the invoice, self certified copy of receipt/bank advise evidencing payment, pre-stamped receipt, declaration etc. in the prescribed format (Annexure VIII) shall be submitted immediately after completion of the activity.
- ❖ Claim form received after three months of the production of publicity materials or deficiencies not fully rectified within 30 days of the date of directions given would not be entertained.

- ❖ The reimbursement of the claim shall be subject to availability of funds allotted by the Government of India for implementation of the Scheme.
- ❖ The Chairman, Coir Board reserves the right to accept or reject any claim.

## **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 7<sup>th</sup> 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			
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:
  - i. 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).
  - ii. The capacity of the generator set should be subject to the requirement of the unit as specified in the Registration Certificate.
  - iii. The unit should obtain a clearance to the proposal in advance from the Regional Officer of the Coir Board concerned to the State.
  - iv. 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:

<b>Types of Units</b>	<b>Ceiling for consideration of subsidy</b>
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.

## **KERALA STATE COIR MARKETING FEDERATION (COIRFED)**

Kerala State Coir Corporation and Foam Mattings (India) Ltd. (FOMIL) would be eligible for reimbursement of 50% of the cost of their expenses towards participation in trade fairs/exhibitions, publicity through media like TV, radio and newspapers, publishing of catalogues etc. Similarly, grant assistance up to Rs. 1.00 lakh is also available for these institutions for setting up show rooms in places approved by the Director of Coir Development. Participation of the Coir Development Department in trade fairs/exhibitions organising Buyer Seller Meet, Coir Mart and release of advertisements are also envisaged. Coir Mats & Mattings Co-operative Societies are also eligible for assistance under this scheme for participating exhibitions within Kerala. The out lay can also be used for meeting the expenses for seminars/awareness camps, printing of pamphlet and release of advertisements in print media/electronic media to sustain brand image of "Kerala Coir-Golden yarn of God's own Country". It is also intended to assist the two Public Sector Undertakings in Coir Sector, the Apex Society and Mats & Mattings Co-operative Societies.

### **Market Development Assistance for the sale of Coir and Coir Products (50% State Share)**

**Head of Account-2851-00-106-92**

**(Outlay: Rs. 150.00 lakh)**

The Government of India substituted Rebate scheme with MDA, at the rate of ten percent of annual sales turnover (an average of three years). The expected amount of sales turnover of societies and apex organization on an average for the 11 th Plan period is Rs. 16800.00 lakh. The MDA at 10% will be Rs. 1680.00 lakh of which 50% is State Share and and 50% Central Share. The provision will be utilized to promote sales of Coir products, identify new markets and uses of coir and to make the marketing professionals result oriented. 40 Co-operative Societies and other institutions are expected to get benefit of the scheme. An outlay of Rs. 150.00 lakh is provided as the 50% state share towards implementation of the scheme during the Budget 2007-08.

### **Mahila Coir Yojana (25% State Share)**

**Head of Account-2851-00-106-82**

**(Outlay : Rs. 150.00 lakh)**

Coir Board is implementing the scheme " Mahila Coir Yojana" with a view to provide self employment opportunity to rural women workers in the coir producing areas. As per the scheme, Coir Board will give training and supply ratts with 75% subsidy. Coir Board has been requested to include Geotextile looms also under the scheme. The provision is for meeting 25% of the expenditure on the cost of ratts/looms. The scheme envisages distribution of traditional motorized ratts for spinning coir yarn and looms for weaving Coir Geotextiles to women workers after giving them necessary training. The physical target envisaged is approximately 5000 Women Coir Workers. For the Budget 2007-08 an amount of Rs. 150.00 lakh is provided as 25 per cent state share for the scheme.

## **Margin Money Loan to Entrepreneurs**

**Head of Account-6851-00-106-89**

**(Out lay: Rs. 10.00 lakh)**

Small Scale producers in coir sector, are proposed to be assisted by providing margin money loan up to 50% , so as to avail margin for financial assistance from banks/financial institutions, for establishing new industrial units or expansion/diversification of existing industrial units. The scheme is proposed to attract private entrepreneurs for production of value added products in the coir sector. The ceiling is to be limited to Rs. 2.5 lakh per unit. Private Entrepreneurs are expected to get benefit of the scheme. Coir Development Department proposes to organize three Raw Material and Marketing Consortiums of Small Scale Producers, Mats and Matting Co-operative Societies and SHGs under cluster development programme. The provision under this head is also for meeting the Margin Money Loan requirement of these Consortiums. An outlay Rs. 10.00 lakh is provided for the scheme during 2007-08.

## **Common Facility Service Centres for Coir Products of Small Scale producers**

**Head of Account 2851-00-106-44**

**(Outlay: Rs. 300.00 lakh)**

An outlay of Rs. 300.00 lakh is provided under RIDF scheme of NABARD for establishing new common facility service centres like dyeing/bleaching plant, shearing & stenciling plant-where potential exists. Installation and modification of the existing effluent treatment plants, modernisation of dye house , repairing of machinery etc. In product manufacturing societies and public sector undertakings will also be met with this provision. Five co-operative societies are expected to get benefit of the scheme. Suitable schemes/projects should be prepared and submitted to NABARD with the approval of SPB for availing assistance

## **Production and Marketing Incentive (PMI)**

**Head of Account-2851-00-106-54**

**(Outlay : Rs. 25.00 lakh)**

The outlay Rs. 25.00 lakh provided in the Budget 2007-08 is for giving incentives by way of financial assistance to promote the production and marketing of coir and coir products including rubberized coir products and Geotextile by the primary Co-operative Societies (including spinning and small scale producers) , Mats and Matting Co-operative Societies, Apex Society and Public Sector Undertakings namely, Kerala State Coir Corporation and Foam Mattings (India) Ltd., to encourage sustained production, to facilitate sale in Coir Sector and thereby to generate more employment opportunities in the Coir Sector. Co-operatives and other institutions are expected to get benefit of the scheme.

## **Assistance to KSCC, FOMIL and Coirfed**

**Head of Account-2851-00-106-49**

**(Outlay: Rs. 50.00 lakh)**

The scheme is for strengthening the production and marketing activities of Public Sector Undertakings viz. Kerala State Coir Corporation, Foam Mattings (India) Ltd. and the Apex Society-Coirfed by way of strengthening their share capital base.

## **Incentive for export of 100% Handloom Made Coir Products and Price Compensation Incentive**

**Head of Account- 2851-00-106-42**

**(Outlay: Rs. 50.00 lakh)**

An amount of Rs. 50.00 lakh under Flagship Programme is provided in 2007-08 for the scheme towards the following activities.

### **a) Export Incentive.**

This is to give some incentive to 100% Handloom made Coir Products to boost the export of the same. It is proposed to give subsidy of 20% on the FOB value of export of 100% handloom made Coir Products produced and exported from the State by giving agreed wages/CIRC wages and benefits to the workers subject to maximum of 10 lakh/year.

### **b) Price Compensation Incentive**

This is for providing support to the producers by way of subsidy to compensate the loss incurred to the extent the difference in the manufacturing cost and selling price. This will help majority of coir cop-operatives. It is proposed to give assistance to units under export incentive and Coir Co-operatives under price compensation incentive.

## **Market Development Assistance for the sale of Coir and Coir Products (50% State Share)**

**Head of Account-2851-00-106-92**

**(Outlay: Rs. 150.00 lakh)**

The Government of India substituted Rebate scheme with MDA, at the rate of ten percent of annual sales turnover (an average of three years). The expected amount of sales turnover of societies and apex organization on an average for the 11 th Plan period is Rs. 16800.00 lakh. The MDA at 10% will be Rs. 1680.00 lakh of which 50% is State Share and 50% Central Share. The provision will be utilized to promote sales of Coir products, identify new markets and uses of coir and to make the marketing professionals result oriented. 40 Co-operative Societies and other institutions are expected to get benefit of the scheme. An amount of Rs.150 lakhs is provided as anticipated central assistance towards implementation of the scheme during 2007-2008