



## कयर बोर्ड Coir Board

(सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार  
Ministry of MS&ME, Govt. of India)

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### योजना और संसदीय मामला कक्ष

फाइल सं.ए-58/3/2017-पीएम

20.06.2017


### परिपत्र

यह इस अनुभाग द्वारा जारी दि.24.04.2017 का सम संख्यक परिपत्र के सन्दर्भ में 12वीं योजना काल के परे चालू योजनाओं की निरंतरता से संबंधित चालू प्लान योजनाओं के मूल्यांकन अध्ययन के लिए समय-सीमा दिखाते हुए, ईएफसी/एसएफसी नोट की तैयारी, मंत्रालय द्वारा संशोधित मार्गनिर्देश जारी करना आदि है।

दि. 31.03.2017 के परे प्लान योजनाओं को जारी रखने के ईएफसी/एसएफसी का प्रस्ताव प्रस्तुत करने का मामला माननीय एमएसएमई मंत्रियों द्वारा कयर बोर्ड के कार्यकलापों की समीक्षा करने हेतु दि. 12 जून, 2017 को एमएसएमई मंत्रालय में हुई बैठक की चर्चाओं में एक एजेंडा था। एजेंडा पर चर्चा करते वक्त, सचिव, कयर बोर्ड ने एक आश्वासन दिया था कि रिपोर्टें/सिफारिशें प्राप्त होने के बाद, इन दस्तावेजों को तैयार करने का काम कयर बोर्ड में तत्काल शुरू किया जाएगा और मूल्यांकन अध्ययन रिपोर्ट में संगत बिन्दुओं को यथाक्रम सम्मिलित किया जाएगा।

बोर्ड के मुख्यालय के सभी अनुभागों/शाखाओं से अनुरोध है कि तत्काल कार्यान्वित योजनाओं से संबंधित एसएफसी/ईएफसी प्रस्तावों की तैयारी का काम शुरू करें ताकि निर्धारित समय-सीमा का पालन कर सके।

एसएफसी/ईएफसी प्रपत्र की प्रति और नमूना संधारणा पत्र इसके साथ सन्दर्भ के लिए संलग्न किया जाता है।

  
निदेशक (विपणन)

सेवा में

सभी संबंधित

प्रतिलिपि: 1. निदेशक, आरडीटीई, कलवूर, आलप्पी - सूचनार्थ एवं आवश्यक कार्रवाई हेतु



# कयर बोर्ड COIR BOARD

(सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार  
Ministry of MSME, Govt. of India)

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नं. \_\_\_\_\_  
No:

## Planning and Parliament Matters Cell

दिनांक \_\_\_\_\_  
Date:

File No.A-58/3/2017-PM

20.6.2017

### CIRCULAR

This has reference to this Section's Circular of even number dated 24.4.2017 conveying the time schedule for conducting Evaluation Study of on-going Plan Schemes, Preparation of EFC/SFC note, Issue of revised guidelines by the Ministry, etc. in connection with continuation of on-going schemes beyond 12<sup>th</sup> Five Year Plan.

The matter of submitting SFC/EFC proposals for continuation of Plan Schemes beyond 31.3.2017 was an agenda for discussion in the meeting held at the Ministry of MSME on 12<sup>th</sup> June, 2017 for the review of Coir Board Activities by the Hon'ble Ministers of MSME. While discussing on the agenda, the Secretary, Coir Board gave an assurance that the work of preparation of these documents would be started forthwith in Coir Board and the points relevant in the Evaluation Study Report would be incorporated in due course after getting the reports/recommendations.

All Sections/Branches at the Board's H.Q are requested to commence the work of preparation of SFC/EFC Proposals in respect of schemes implemented by them **forthwith** so as to adhere to the timeline prescribed.

A copy of the SFC/EFC format and a sample Concept Paper are attached herewith for reference.

Director (Marketing)

To: All Concerned.

Copy to: 1. Director, RDTE, Kalavoor, Allepey: For information and necessary action.

**FORMAT FOR EFC/SFC MEMORANDUM FOR APPRAISAL OF SCHEMES****1. Scheme Outline**

- 1.1 Title of the Scheme.
- 1.2 Sponsoring Agency (Ministry/ Department/Autonomous Body or Undertaking)
- 1.3 Total Cost of the proposed Scheme
- 1.4 Proposed duration of the Scheme.
- 1.5 Nature of the Scheme: Central Sector Scheme/ Centrally Sponsored Scheme
- 1.6 For Central Sector Schemes, sub-schemes/components, if any, may be mentioned. For Centrally Sponsored Schemes, central and state components, if any, may be mentioned.
- 1.7 Whether a New or a Continuing Scheme? In case of a Continuing Scheme, whether the old scheme was evaluated and what were the main findings?
- 1.8 Whether in-principle approval is required? If yes, has it been obtained?
- 1.9 Whether a Concept Paper or a Detailed Paper has been prepared and stakeholders consulted? In case of new Centrally Sponsored Schemes, whether the State Governments have been consulted?
- 1.10 Which existing schemes/sub-schemes are being dropped, merged or rationalized?
- 1.11 Is there an overlap with an existing scheme/sub-scheme? If so, how duplication of effort and wastage of resources are being avoided?
- 1.12 In case of an umbrella scheme (program) give the details of schemes and sub-schemes under it along with the proposed outlay component-wise.  
Note: It may kindly be noted that the word scheme here is used in a generic sense. It includes programs, schemes and sub-schemes, which, depending on need, can be appraised and approved as stand-alone cost centers.

## **2. Outcomes and Deliverables**

### **2.1 Stated aims and objectives of the Scheme**

The objectives of the proposal may be mentioned. These objectives should flow from the proposal justification.

### **2.2 Indicate year-wise outputs/deliverables in a tabular form.**

### **2.3 Indicate Outcomes of the Scheme in the form of measurable indicators which can be used to evaluate the proposal periodically. Baseline data or survey against which such outcomes should be benchmarked should also be mentioned.**

### **2.4 Indicate other schemes/sub-schemes being undertaken by Ministries/Departments which have significant outcome overlap with the proposed scheme. What convergence framework have been evolved to consolidate outcomes and save public resources?**

## **3. Target Beneficiaries**

### **3.1 If the scheme is specific to any location, area and segment of population, please give the details and basis for selection.**

### **3.2 Please bring out specific interventions directed in favour of social groups, namely SC, ST, differently abled, minorities and other vulnerable groups.**

### **3.3 If the scheme has any gender balance aspects or components specifically directed at welfare of women, please bring them out clearly?**

### **3.4 Please bring out special interventions, if any, in North East, Himalayan, LWE, Island territories and other backward areas.**

### **3.5 In case of beneficiary oriented schemes, indicate the mechanism for identification of target beneficiaries and the linkage with Aadhaar/ UID numbers.**

#### 4. Cost Analysis:

- 4.1 Cost estimates for the scheme duration: both year-wise, component-wise segregated into non-recurring and recurring expenses.
- 4.2 The basis of these cost estimates along with the reference dates for normative costing.
- 4.3 In case pre-investment activities or pilot studies are being carried out, how much has been spent on these?
- 4.4 In case the scheme involves payout of subsidy, the year wise and component wise expected outgo may be indicated.
- 4.5 In case the land is to be acquired, the details of cost of land and cost of rehabilitation/ resettlement, if any.
- 4.6 In case committed liabilities are created, who will or has agreed to bear the legacy burden? In case assets are created, arrangements for their maintenance and upkeep?

#### 5. Scheme Financing

- 5.1 Indicate the sources of finance for the Scheme: budgetary support, extra-budgetary sources, external aid, state share, etc.
- 5.2 If external sources are intended, the sponsoring agency may indicate, as also whether such funds have been tied up?
- 5.3 Indicate the component of the costs that will be shared by the State Governments, local bodies, user beneficiaries or private parties?

#### 6. Approvals and Clearances

Requirement of mandatory approvals and clearances from various local, state and national bodies and their availability may be indicated in a tabular form (land acquisition, environment, forestry, wildlife etc.)

Sl. No.	Approvals/ Clearances	Agency concerned	Availability (Y/N)
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**7. Human Resources**

- 7.1 Indicate the administrative structure for implementing the Scheme. Usually creation of new structures, entities etc. should be avoided
- 7.2 Manpower requirement, if any. In case posts, permanent or temporary, are intended to be created, a separate proposal may be sent on file to Pers. Division of Department of Expenditure (such proposals may be sent only after the main proposal is recommended by the appraisal body)
- 7.3 In case outsourcing of services or hiring of consultants is intended, brief details of the same may be provided.

**8. Monitoring and Evaluation**

- 8.1 Please indicate the monitoring framework for the Scheme and the arrangements for statutory and social audit (if any).
- 8.2 Please indicate the arrangement for third party/independent evaluation? Please note that evaluation is necessary for extension of scheme from one period to another.

- 9. Comments of the Financial Advisor, NITI Aayog, Department of Expenditure and other Ministries/Departments may be summarized in tabular form along with how they are being internalized and used to improve this proposal.**

**10. Approval Sought:**

(-----)  
**Joint Secretary to the Govt. of India**  
 Tel. No: \_\_\_\_\_  
 Fax No. \_\_\_\_\_

E-mail: \_\_\_\_\_

Please attach an Executive Summary along with the Concept/Detailed Paper outlining the main elements and overall architecture of the proposed Scheme.

**CONCEPT PAPER**  
**ON**  
**COIR INDUSTRY TECHNOLOGY UPGRADATION SCHEME (CITUS)**

**Annexure-I**

(i) **Context/ Background:** Coir industry is an age old traditional industry of India originated in the State of Kerala. The industry, over the last 3-4 decades, has proliferated to other States and Union Territories where coconut cultivation is taking place. As of now as many as 14 States and Union Territories are engaged in this industry and these States/Union Territories have much more potential in this sector to grow. The production and processing of coir in most of these areas continues to be in the conventional methods where the drudgery of work is more and productivity and profitability are comparatively very less. Lack of technological improvement in the production and processing of coir is standing in the way of development of this industry. It is estimated that 20439.60 million coconuts are produced annually in our country. However the utilization of coconut husk, the raw material for coir industry, is found to be 40-45% of its availability as of now.

The coir industry, besides being a rural and women oriented industry, is providing livelihood to lakhs of artisans hailing mostly from the remot regions of the country. With the introduction of new and innovative technology and larger investments coming up in the industry, the potentials for providing more employment and wages to the work force are very much. Further to this, the abundant raw material available in the country which is otherwise either wasted or exported in partly processed stages to countries like China can be put to value addition thereby adding to the GDP and foreign exchange earnings of the country.

(ii) **Problems to be addressed:** For achievement of higher productivity, optimum utilization of raw material potential through high level mechanization is necessary in coir industry. The industry can survive and face the challenges thrown in by globalization and the competing products like synthetics only through introduction of the State of the art technology through large scale mechanization and economies of scale of operation. Due to the obsolete and outdated methods of processing, the unhealthy working environments, younger generation are not often attracted to this industry. The stake holders of this industry, in general, belong to the lowest strata of the economy and as a nodal agency, the Coir Board has to take the lead in evolving and implementing novel schemes for promotion of this industry.

Coir products, by virtue of USPs like eco-friendliness, bio-degradability, 100% renewable raw material source, etc. has tremendous potential in the markets abroad and within the country. The coir products are found to be excellent material to arrest global warming and to preserve the nature. However, the processing and production methods being highly labour intensive, the products are not able to meet the challenges on account of the price factor. The industry can be taken forward only through acquisition/development and adoption of new and innovative technologies, demonstration of new technologies, its incubation and commercialization, positioning of most modern machinery and equipment etc. Such an effort, through appropriate schematic interventions would keep the industry in good stead leading to fuller utilization of raw material potential within the country, providing gainful employment to the workers and increased returns to the investors.

**(iii) Aims and Objectives:**

- Acquisition/Development and Adoption of new and innovative technologies
- Development, incubation, demonstration of new and innovative technologies
- Adoption, incubation and commercialization of acquired/developed technologies and machinery
- Providing of modern infrastructure facilities to the production units resulting in improvement of productivity and quality.
- Establishment of new 'State of the Art' Coir Processing Units.
- Proliferation of the industry to potential areas.
- Enhancement of utilization of available raw material.
- Creation of more employment opportunities, especially for women in rural areas.
- Attracting new generation entrepreneurs to the industry.
- Modernisation of existing units.
- Development and installation of information technology including enterprise resource planning (ERP).
- Production of high value customer oriented value added products with coir alone or blending with other natural fibres where coir is dominant.
- Transforming the Coir Industry to a competitive one.
- Adoption of eco friendly production techniques.
- Achievement of the objective of a pollution free coir industry with technological advancements.

**(iv) Strategy:** The possibilities for development/adoption of new and innovative technologies, its commercialization through large scale investment in coir sector by the stake holders are very less due to the fact that they in general belong to the economically backward sections of the society. It is therefore imperative that Govt. interventions, through appropriate technology adoption/upgradation, support measures in the industry is essential to augment the production base.

- Incentive under the programme is proposed to be extended to entire coir sector of the country.
- Individuals, Public Sector Units, Private Sector Units, Firms, public Co-operative societies, NGOs, SHGs, Associations and Machinery Manufacturers are the proposed stakeholders involved in the implementation of the scheme.
- All coir processing units registered with Coir Board having Udyog Aadhar will be entitled to get incentives for procurement/development/adoption of new and innovative technologies, incubation, demonstration and commercialization of new technologies and installation of eligible Plant & Machinery and construction of new building for modernisation, upgradation and / or establishing a new unit on making an application for the purpose. The incentive shall be 25% of the total cost incurred by the applicant unit for the above purposes.. The upper ceiling of the incentive will be Rs.2.50 Crores per Coir unit.
- The incentive will be payable only in Rupees in India. The amount will be released after the Coir Unit goes in to production on a commercial scale. The fresh investment in building and plant and machinery can be made out of the loan of any financial institution/ bank/ leasing company or from the available resources of the Coir units.
- In respect of projects for modernization, the cost of new technologies/process/building/machinery/ equipments/ generators/ building constructed etc. to be put up



will only be taken for arriving at the project cost for calculation of the amount of incentive.

There will not be any overlapping of objectives and coverages envisaged under the Scheme with reference to the other Schemes of the Central/State govts. As of now no schemes are available for the stake holders in the industry to get Govt. assistance of more than Rs.25.00 lakhs. As a precaution, it will be stipulated that the cases of Govt. assistances already availed of will not qualify for the assistance envisaged in the instant programme.

The value addition in the industry, as of now, is taking place mainly in the State of Kerala only. On the other hand, the States like Tamil Nadu, Karnataka, Andhra Pradesh, West Bengal, Maharashtra, Orissa and North Eastern regions have abundant source of raw material and the manufacturing activities in these regions have not progressed significantly much beyond the fibre extraction and yarn spinning stages. With the introduction of most modern machinery, these regions can also prosper through value addition and development of the industry.

**(v) Target Beneficiaries:**

The target beneficiaries are the entrepreneurs and prospective entrepreneurs in the coir industry across the length and breadth of coir producing regions of the country. The proposals for initiating the Scheme to promote adoption/procurement/new technologies, its incubation, demonstration and successful commercialization by setting up of larger units in coir was mooted by the stake holders themselves. Detailed discussions were held with the stake holders in this regard and a draft frame work of the proposal was circulated amongst the Exporters/trade associations and their views have also been taken into consideration. It is proposed to assist setting up of 40 units over a period of 4 years commencing from 2016-17. It is proposed to disburse only 25% of the total fresh investments in technology adoption/acquisition etc and putting up of building and plants and machinery subject to an upper ceiling of Rs.2.50 cr. per unit. The sources of finance for making investment of the remaining cost have to be located by the beneficiaries from own resources or through institutional credit.

The proposed scheme would benefit the rural artisans in coir who are generally belonging to the economically weaker sections. The scheme envisaged would bring in more employment opportunities and wage earnings to them.

**(vi) Legal Framework:**

There will not be much legal implications towards the implementation of the proposed scheme. The standard norms to be fixed while extending funding support from the govt. and availing institutional credit would only apply.

**(vii) Environmental Impact:**

There will not be any environmental impacts to be considered while implementing the scheme. Coir industry itself is an environment friendly industry. No issues are expected relating to land as the land has to be identified by the stake holders themselves. No issues relating to acquisition, diversion of forest land arise in these cases. Statutory clearances will be obtained by the beneficiaries themselves. As per Central Pollution Control Board norms,

coir industry is coming under 'White Category'. The products manufactured by Coir units are proven to be useful to reverse the global warming.

**(viii) Technology:**

The technology acquired, adopted or newly developed for production and processing of coir by the units envisaged for giving away assistance could be indigenous or imported.

The machinery/equipment and motors eligible for assistance under the scheme shall not be below the standards prescribed by BIS/Board's Research Institutes from time to time.

The proposals seeking government assistance will be subject to the screening of an expert committee before approvals are given.

**(ix) Management:**

The Nodal Agency for implementation of the Scheme will be Coir Board under the Ministry of MSME, Govt. of India. Coir Board, as the national agency set up for the promotion and development of coir industry in India, has the expertise and wherewithal to carry out the implementation.

The Scheme is proposed to be implemented by Coir Board with its existing organizational structure. No additional manpower is envisaged.

**(x) Finance:**

The Scheme proposed envisages giving away financial assistance to promote acquisition/adoption of new and innovative technologies in coir production and processing, its successful incubation, demonstration and commercialization by setting up of coir production units with larger investment. The government assistance proposed is to the tune of 25% of the total fresh investment towards adoption/acquisition of technologies, its incubation, demonstration and successful commercialization together with the cost of building and plant and machinery subject to an upper ceiling of Rs.2.50 cr. Per unit. The year wise outlay proposed is given below:

Year	No. of units proposed to be assisted	Govt. assistance (Rs. Cr.)	Beneficiary contribution based on upper ceiling of Govt. assistance (Rs. Cr.)	Total investment (Rs. Cr.)
2016-17	10	25.00	75.00	100.00
2017-18 to 2019-20	30	75.00	225.00	300.00
Total	40	100.00	300.00	400.00

The onus to set up the unit and claim the govt. assistance will remain with the beneficiary. The assistance is proposed to be released as a reimbursement subsidy only after completion of the project i.e. after acquisition/adoption of new and innovative technologies, its commercialization by making investments of total funds including the portion of govt. assistance applied for.

Project sustainability will be ensured before hand by threadbare scrutiny of the proposals by the expert committee to be set up at the Board levels. Usual checks and

balances prescribed by financial institutions will be there in the case of bank finance linked projects.

Sustainability, project maintenance for longer duration etc. will be taken care of through agreements/undertakings to be submitted by the beneficiaries.

**(xi) Time Frame:**

The Scheme is proposed to be implemented w.e.f. the date of approval to 31<sup>st</sup> March, 2020.

As the cases involved are for setting individual coir manufacturing units by the intending beneficiaries, preparation of PERT/CPM charts is not relevant in this case.

**(xii) Cost Benefit Analysis:**

As of now around 2.55 lakh MT of coir fibre valued at Rs.418 crores is exported from the country. This represents about 35% and 22% of the total exports in terms of quantity and value respectively. The export of coir pith, on the other hand, is currently around 4.10 lakhs MT., accounting for nearly 54% of the total quantity of coir goods exported. The export value of coir pith is placed at Rs.688 Crores, which works out to 36% of the total export value realization.

The above two products are low value items of voluminous nature. Side by side with the increase in fibre production in the country and the likelihood of the demand overseas for fibre going down in the longer run, there is an urgent need to go for value addition activities in a vigorous manner. It is understood that countries like South Korea are importing larger quantities of raw coir pith from India and market the same in Europe and other western countries after value addition.

The Scheme is proposed to be implemented for the overall sustainability of Indian coir industry with modern infrastructure and advanced technology.

The raw material for coir industry is the coconut husk. As of now, it is estimated that only 40 to 45% of the total husk available is utilized in coir industry. The aim behind instituting the instant scheme is to enhance the utilization of the raw material potential and to pave way for prospects for more employment and earning to the industry.

There is a technology mission on Coconut for promotion of productivity and product development in the sector implemented by the Coconut Development Board under the Ministry of Agriculture, Govt. of India.

The following programmes are envisaged under the Mission.

**Programme 1**

Development, Demonstration and Adoption of Technologies for Management of Insect Pests & Diseases Affected Coconut Gardens

**Programme 2**

Development, Acquisition, Demonstration, Training and Adoption for Processing and Product Diversification

**Programme 3**

Market Research and Promotion

Programme 4

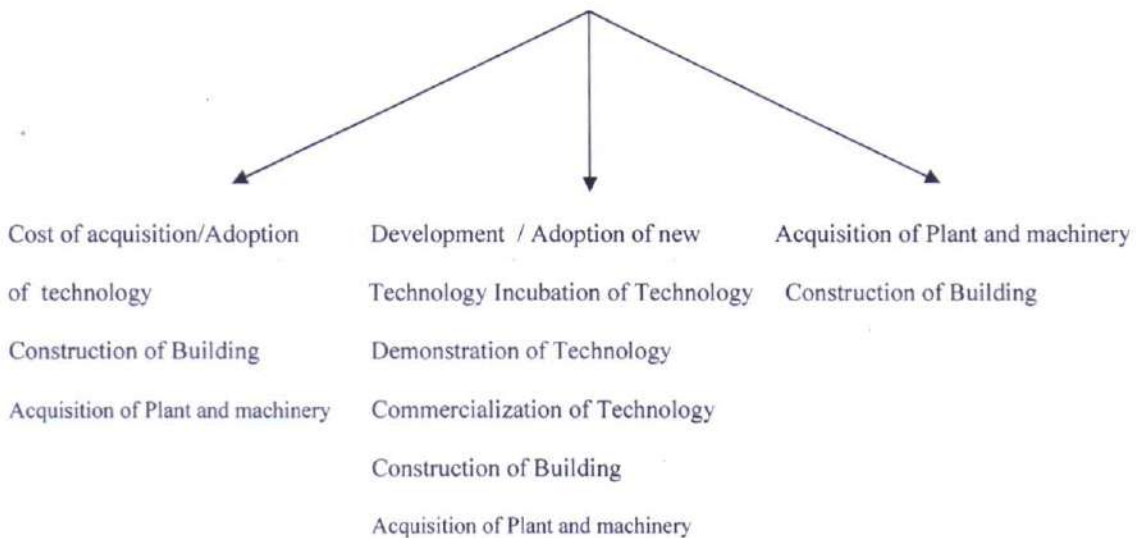
Technical Support, External Evaluation and Emergent Requirements.

The technology mission on Coconut is intended to augment the production of coconut all over the country.

It is highly essential to provide under the proposed CITUS (Coir Industry Technology up-gradation Scheme) the incentives for adoption / acquisition/ development of technologies and creation of necessary infrastructure in coir industry to go for increased utilization of raw material availability in the country.

### FINANCIAL ASSISTANCE UNDER CITUS

25% of the total cost of Investment/Technology development subject to a maximum of Rs.2.50 cr. Per unit



The projected outcomes on implementation of the scheme is given under item number (xiv) below:

**(xiii) Risk Analysis:**

The risk taking on setting up of the coir production units entirely rests with the beneficiary. Being the contributor of 75% of the investment, it shall be the endeavour of the beneficiary to take care of all risk factors. The expert committee of the Implementing agency

(Coir Board) shall oversee that all elements of risk are adequately covered before release of assistance.

**(xiv) Outcomes:**

Outcome of the proposal

No. of units assisted	Anticipated expenditure
40	Rs.100.00 crores

The objective behind implementing this programme is to bring in value additions in coir products instead of promoting export of raw material or partially processed raw material. The value addition is proposed in both fibre based and pith based production activities. In other words the aim is to promote setting up of units with most modern technologies for production of value added improvised floor covering material, coir wood, coir garden articles and coir pith based products. The expected outcomes on establishment of these units are given under.

Year	No. of units set up	Additional employment Additional employment (Numbers)		Increased turnover through domestic & foreign market (Rs. Crores)
		Direct	Indirect	
2016-17	10	500	2350	110.00
2017-18 to 2019-20	30	1500	7050	325.00

**(xv) Evaluation:**

Concurrent evaluation of the project will be undertaken at the levels of Chairman, Coir Board, the Coir Board and the Ministry of MSME Govt. Before continuation of the Scheme to the next period, a third party evaluation is proposed to be instituted.