

## CHAPTER 1: CLUSTER PROFILE

### 1.0 BACKGROUND: (Support for Traditional Industries – National Scenario):

Indian heritage and sustenance is interwoven with traditional industries. Indian masses are heavily depends upon this sector, and probably the most involved sector after agriculture. With a view to making the traditional industries more productive and competitive and facilitating their sustainable development, the Govt. of India announced setting up of a fund for regeneration of traditional industries, with an initial allocation of Rs.100 crore. Subsequently, a Central Sector Scheme titled the “Scheme of Fund for Regeneration of Traditional Industries (SFURTI)” was approve at a total cost of Rs.92.25 core. This scheme was implemented by the Ministry of Micro, Small and Medium Enterprises (MSME) through two nodal agencies viz; (i) Khadi and Village Industries Commission – KVIC; and (ii) Coir Board. Endorsement of SFURTI by working group of Planning Commission on XII Plan provides support to coir sector in a meaningful way.

Announcement of Finance Minster in the Budget of 2013-14 for extending the support to 800 clusters of Khadi, Village Industries and Coir are made a budget outlay of Rs.850 crore for the benefit of 4 lakh artisans. The support is extended basically on three types of intervention viz; (i) soft interventions, (ii) hard interventions, and (iii) thematic interventions.

#### **Coir Industry:**

Coir industry is originated from Kerala and now is being expanded to other coconut producing States like Tamil Nadu, Karnataka, Andhra Pradesh, Orissa, West Bengal, Maharashtra, Assam, Tripura, etc. It employs more than 7.00 lakh person and majority of them are from rural belt and belongs to economically weaker sections of the society. 80% of the coir workers are engaged in fibre

extraction and spinning. Adoption of technology to the coir sector, has caused to develop a wide range of coir products in India. This development has enhanced volume of coir business to over 1000 crore.

A total quantity of 5,37,040.38 MT of coir and coir products valued at Rs.1476.04 crores was exported from the country during the period April 2013 to March 2014 as against an export of 4,29,500.92 MT valued at Rs. 1116.02 crores achieved during the corresponding period of previous year. There is an overall increase of 25% in quantity and 32% in value over the export achieved during the corresponding period of the previous year. The target fixed for coir & coir products for the year 2013-14 by the Ministry of MS&ME, Govt. of India, New Delhi, is Rs.1000 crores. The achievement upto March 2014 during the year is 147% of the target fixed by the Govt. of India which is an all time high in the history of coir industry. ([www.coirboard.gov.in](http://www.coirboard.gov.in))

These developments in products as well as business has caused for formation of various agencies in the country. Federation of Indian Coir Exporters Association (FICEA) is one of the most important federations in the coir industry. It is the Confederation of Coir and allied products exporters of India. FICEA, under its single umbrella, has to its credit all the Exporter Associations of coir from the country namely- Indian Coir Association, Indian Coir Exporters Chamber, Coir Shippers Council, Travancore Coir Mats & Mating Manufacturers Association and The Coir Pith & Allied Products Manufacturers & Exporters Association.

#### **Relevance of SFURTI in cluster approach:**

While industry is gearing up with production and export business, it has still a lot of limitations. Shortage on availability of yarn for the industry and the sensitivity of its required quality is a bottleneck. The shortage of coir yarn and its fluctuating price is becoming a survival problem for the industries. The level of mechanization is very low in the coir industry and it is required at each and every

stage of production to create competitiveness. Low productivity due to the manual processes right now is also one of the major challenges.

### **Coir in Thiruvananthapuram:**

The coir industry was mainly concentrated in suburban area of Thiruvananthapuram like Neyyattinkara, Kattakada and Chirayinkeezhu. Earlier Thiruvananthapuram and Kanyakumari, both the districts were part of Kerala. After the formation of linguistic State model process, when Kanyakumari became part of Tamil Nadu Thiruvnanthapuram became the last district in southern part of it. Though earlier, both the districts were engaged into Coir business, gradually concentration of Thiruvananthapuram in coir revolved around its suburban areas.

The people associated with coir in the district were mainly engaged in making fibre and coir in earlier times. After independence when co-operative movement became strong in Kerala, Thriuvananthapuram being its capital, almost all sectors were aligned in co-operatives, as such coir was also not an exception.

The thrust of Kerala community on education made it as cent percent literacy rate. Subsequently the intention to engage only in white coloured job made them migrants; especially in middle east. The exposure on high-tech industry and corporate culture were the fascinating area of keralite, which caused to diminish the traditional industry like coir in Kerala.

Coir products are made from fiber from the husks of coconuts, using for the most part production techniques that barely changed in the past century. Traditional products have mainly revolved around the production of mats and matting:

- Mats: Largely door mats, mats are made from a mix of coir yarn (as the base) and rough fibers (as bristles).

- Matting: Woven matting from coir yarn is done on handlooms and used in interiors of houses, commercial spaces, and ships. Semi-automated and fully-automated (or 'power') looms have been more recently introduced.

Traditionally a cottage industry, the coir sector has more recently been undergoing substantial changes as more capital intensive products are coming on-line. Non-coir inputs are also increasingly being used, with coir accounting for only 60% of the total product. New products include:

- Geo-textiles: Similar to coir matting, geo-textiles have a looser weave and are used outside for erosion control ('pre-vegetative protection').
- Rubberized Coir: Using another important Kerala commodity, 'rubberized' products include products that combine coir and rubber (such as a coir mat with a rubber trim or backing) or blend the coir fibre itself with rubber (such as coir-rubber composites for car seat stuffing).
- PVC Mats: One of the latest changes in coir production, PVC mats are made from coir fibre brushes adhered onto PVC base (or 'seat').
- Mixed Products: In Alappuzha floor-coverings cluster is increasingly incorporating non-coir inputs into its products. Apart from rubber and PVC as raw materials, jute, sisal and cotton are also the raw materials used.

#### Coconut Production in Kerala

Among the Indian States, Kerala tops in production of coconut in the country. As per the data available from Horticulture Department, during 2013-14, coconut was cultivated in 797.21 hectares in Kerala. During the same year it was estimated a coconut production of 5968.01 million nuts with a productivity of 7486 nuts per hectare.

## Coconut Production in Thiruvananthapuram

Statistics given by Coconut Development Board reveals that in Thiruvananthapuram during 2013-2014 coconut production was done in 55728.08 (HA) land and 4090.00 lakhs nuts were produced. It also shows the productivity as 7339 (nuts/Ha). However, it is worth to mention that, even after such promising scale of coconut production, the fibre production is low compared to its potential. Even the available fibre is also not utilizing there effectively.

### **1.1 Regional Settings of the Cluster:**

The history of Coir and its association with the State of Kerala dates back to the 19th Century. Sandwiched between the Western Ghats on the east and the Arabian Sea on the west, Kerala is one of the most beautiful States in India. A tropical paradise of waving coconut palms and wide sandy beaches, this thin strip of coastal territory slopes down from the mountain Ghats in a cascade of lush green vegetation and varied fauna. One of the most commonly seen tropical trees in Kerala is the Coconut tree. In fact, even the name Kerala (Keralam in Malayalam) is derived from this tree (“Kera” in Malayalam language means Coconut and “Alam” means Land, thus Keralam = Land of Coconut). Everything from Kerala's culture to its dishes is evolved around the Coconut tree.

Thiruvananthapuram, is the southern most district of Kerala State. The district stretches 78 kms along the shores of the Arabian Sea on the west, Kollam district lies on the north, Thirunelveli and Kanyakumari districts of Tamil Nadu on the east and the south respectively. The district is blessed with rivers and lakes. Neyyar, Karamanayar, Mamom and Vamanpuram rivers are flowing through this district. Major back waters are Veli, Kadinamkulam, Anchuthengu and Edava – Nadayara Lakes.

## 1.2 Location:

The cluster location consists of Two Taluqs covering basically 4 blocks viz; (i) Athiyannur, (ii) Neyyatinkara (iii) Perumkadavila, and (iv) Parassala

These blocks consists of following villages:

Anavoor, Athiyannur, Balaramapuram, Chenkal, Kanjiramkulam, Karode, Karumkulam, Kollayil, Kottukal, Kulathoor, Kunnathukal, Neyyattinkara, Pallichal, Parassala, Parasuvaikkal, Perumkadavila, Perumpazhuthoor, Poovar, Thirupuram, Vellarada, Vizhinjam.



Glance of coconut production in project location:

During the financial year 2013-14, there was a total production of 1740 lakh nuts wherein the recorded data shows production of coconut in the entire district as 4090 lakhs. This means out of the cluster location currently produces 43% of total coconut produced in the district. For details see the table given below:

SL No	Districts/Islands	Area(Ha)	Production (Lakh Nuts)	Productivity (Nuts/Ha)
	2013 – 2014			
1	Athiyannur	3915.23	260.00	6641
2	Vellanad	4711.97	280.00	5943
3	Perumkadavila	4586.52	380.00	8286
4	Parassala	5451.15	390.00	7155
5	Nemom	6109.82	430.00	7038
			1740	
	Thiruvananthapuram	55728.08	4090.00	7339

(Source Coconut Development Board, Kochi)

Husk is abundantly available in Neyyatinkara and its utilization is currently only 40-45% of the nuts produced. It has to be increased so that more employment opportunities are created and local resources will be put into for production activities.

Coir being a commodity marketed all over 130 countries a fresh impetus can increase the penetration in international market too, replacing other fibers like jute, sisal and synthetic material. Coir industry exports goods worth more than Rs.1,000 crores during the last year. In order to increase the exports, it is highly essential to upgrade the existing export oriented production infrastructure, adoption of modern technology is the need of the time, along with new facilities wherever there is good prospects.

Most of the people involved in coir industry lives below the poverty line and upgrading their living standard is practically impossible without result oriented intervention. In our labour surplus economy keeping the workers in their own sphere of activity by improving the working condition to the extent possible is the only answer.

#### **1.4 Evolution of the Cluster:**

Since long, coir was a cottage industry in most of the homes of poor families in Neyyatinkara area. Women are engaged in the production of hand spinning yarn from the fine un-soaked variety of fiber. The fiber was marketed in the nearby markets known as evening markets, mainly for household and agricultural purposes. In addition to local users, there were some big merchants also to collect it from intermediaries and market it in other places.

Earlier, retting of husk in coastal areas was done by the private manufacturers. They exploited the poor coir workers engaged in beating and spinning etc. To some extent, the exploitation was curtailed because of cooperative movement, but the flip side of this movement is that of over dependence on government schemes and assistances.

Prominent merchants/ businessmen started buying products from Trivandrum markets long time ago. The yarn and coir so collected were mainly sent to the estates for agricultural purposes and producing value added goods. Earlier our neighboring States were sourcing coir and yarn from Thiruvananthapuram, but today they have better manufacturing facilities and Kerala is depended on them for fiber and yarn for producing value added goods. Therefore, Trivandrum needs a modern facility where from fiber to value added products can be manufactured.



However, no strong agencies are available in the area for co-ordination of coir activities in the district. Grama Seva Bhavan, Thirupuram, Neyyatinkara, Thiruvanthapuram has developed course of action for forming clusters in their respective area. However, as the clusters claimed by both these agencies are from nearby locations, both of them had mutually agreed to implement the activities through Grama Seva Bhavan. **As such implementing agency is Grama Seva Bhavan, Thirupuram, Neyyatinkara, Thiruvananthapuram.** However, it is also noticed that, like them there are other developmental organizations are also visible in these areas, which are as follows:

### **Neyyatinkara:**

#### Co-operative Sector

- a) Edayar CVCS Ltd, 3109 Pachalloor
- b) Karibhagam CVCS Ltd T-892
- c) Kovalam CVCS Ltd 108
- d) Pachalloor CVCS Ltd 117
- e) Panathura CVCS Ltd 413
- f) Punthura CVS Ltd T-531
- g) Vazhamoottam CVCS Ltd 3061
- h) Perimgadavila Block DFICS Ltd T-1078
- i) Nemom Block DFICS Ltd T-1079
- j) Parassala Block DFICS Ltd T-1084
- k) Defibering Units – 6 nos
- l) Spinning Units - 7 nos
- m) Handicrafts Units – 9 nos.

#### NGO Sector

- a) Lord's Grace Universal Charitable Trust, Plamottukada
- b) C N Memorial VanithaSamajam, Pathankallu, Neyyattinkara

- c) CARD Center, Naruvamoodu
- d) GramodharanaVanithaSamajam, Naruvamoodu
- e) Warm, Athiyanoor, Balaramapuram
- f) Social Welfare Center, Rassalpuram
- g) RagiVanithaSamajam, Neyyattinkara
- h) SamoohyaVikasanaSamithy, Balaramapuram
- i) Mathruka Cultural Charitable Society, Neyyattinkara
- j) Dakshina Kerala GramadharanaSevaSamithi, Kottukal

In Neyyattinkara approximately 3500 families are engaged in coir sector, out of which 2400 individuals are skilled artisans.

Unlike in other districts, might be due to proximity with Kanyakumari, the fibre production in Neyyattinkara is not too low. At present, approximately 700 ton fibre is manufacturing in the cluster. A glance over the fibre production in the district is as follows:

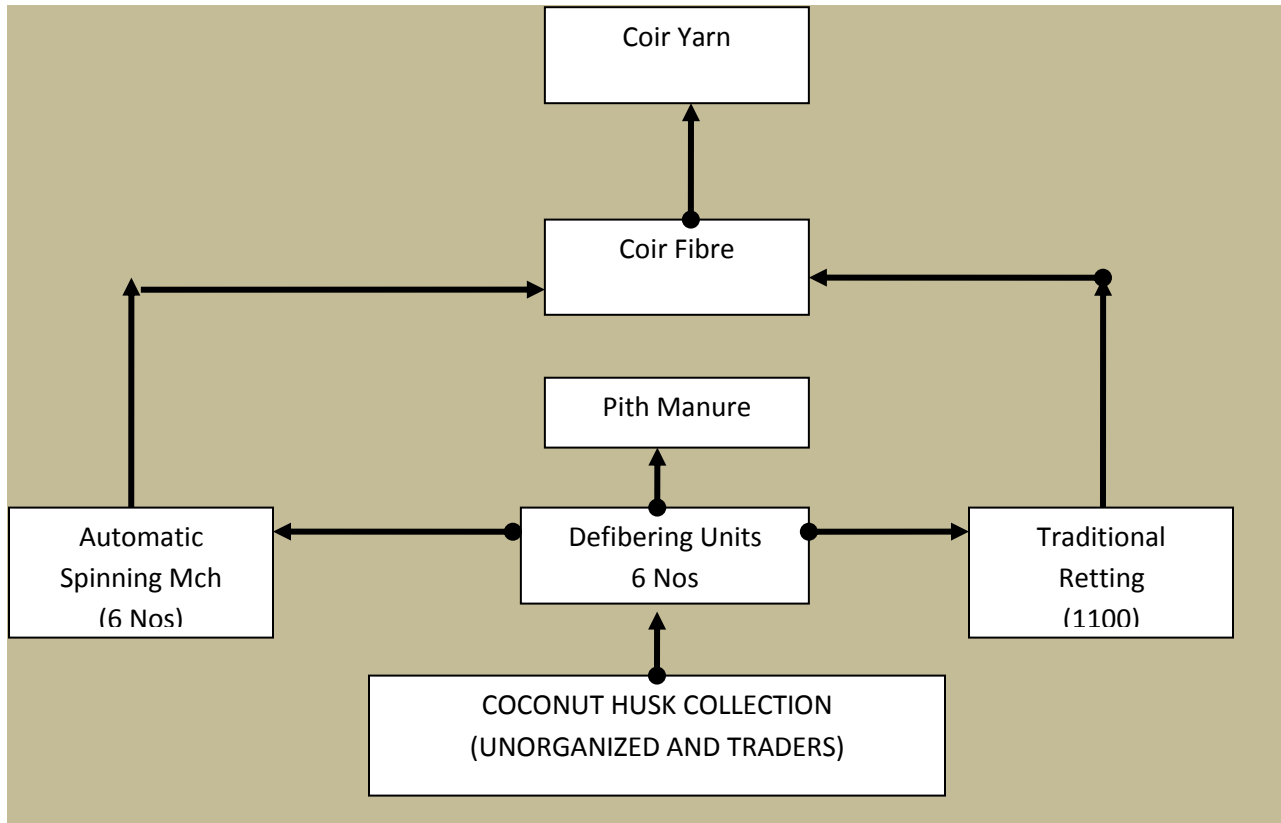
Sl. No	Name of the Unit	Production/ year (Ton)
1.	Mary Defibring Unit, Thiruppuram	120
2.	Defibring Unit, Payattuvila	150
3.	R B Defibring unit, Peringammala	90
4.	Coir Defibring Unit, Kunnathukal	150
5.	Soorya Coir Industries, Kuttichal	150
		660

Over and above, there are large numbers of small and medium defibring units in Kanyakumari districts. As such, there will not be any short of fibre in Neyyattinkara cluster.

The typical cluster activities carried out in both the locations are depicted below:



## PRESENT CLUSTER ACTIVITY- NEYYATTINKARA



There is a need for change in the present scenario. The district, as it being the capital of the State, and consists of more than a dozen picnic, worship and tourist places, has wide network of coir traders, in addition to the presence of government agencies. A few of them are as follows:

1. Thoppil Coir Coco Industries, Thiruvananthapuram
2. N N Coir Industries, Thiruvananthapuram
3. Sanils Coir Industries, Thiruvananthapuram
4. Mangalasseril Coir Industries, Thiruvananthapuram
5. Coir Best, Thiruvananthapuram
6. Mini Coir Industries, Thiruvananthapuram
7. Shajeer Coir Industries, Thiruvananthapuram

Over and above, following state level agencies are also present in the District

1. Coir Board
2. Kerala State Coir Corporation
3. Coirfed
4. Kerala Coir Mat & Matting Co-operative Society Ltd

The intervention of these actors of coir industry has helped the district to reach a turnover of Rs. 1.5 crore.

### **Problems being faced by the coir industry in Neyyatinkara**

Thiruvananthapuram district ranks 3<sup>rd</sup> position as regards coconut husk production of Kerala is concerned. Approximately 5000 people are involved or trained in coir production. Irrespective of these positive facts, the district is not able to utilize the nuts produced in the area. The limited units who are engaged in production of value added products are not able to prove a track record. The value addition process is very low in the district. Moreover, there is no a strong agency to directly work with artisans that takes care of coir activities in the location. All these limitations attract intervention of a professional agency and also attract the attention and support for producing value added products within the district.

### 1.3 Demography and Growth Trends:

Thiruvananthapuram district is the capital of Kerala State. The district has a land area of 2192 Sq.Km with a population of 3234707. Out of these, 1571424 is male and 1663283 is female with a sex ratio of 1058. The district has a per capita income of Rs.20,484. The district also has a literacy rate of 89.36%. The data on its religion as per census 2001 is given below:

<b>RELIGION DATA 2001 CENSUS</b>		
<b>Religion</b>	<b>Persons</b>	<b>Percentage</b>
Hindus	2202112	68.0850
Muslims	431512	13.3415
Christians	595563	18.4137
Buddhists	270	0.0083
Jains	139	0.0043
Sikhs	335	0.104
Others	399	0.123
Religion not stated	4026	0.1245

The district stretches along the shores of the Arabian Sea for a distance of 78 kms. Kollam district is on the north and Thirunelveli and Kanyakumari districts of Tamil Nadu are on the east and the south respectively.

The district can be divided into three geographical regions-highlands, midlands and lowlands. Chirayinkeezhu and Thiruvananthapuram Taluks lie in midland and low land regions, while Nedumangad taluk lies in midland and highland regions and Neyyattinkara taluk stretch over all the three regions. The highland

region comprises mainly of mountains. Bounded on the east and northeast by the mountain ranges of the Western Ghats, this area is ideal for major cash crop plantations like rubber, tea, cardamom and other spices. Timber trees like teak, rose wood, etc. are grown in this region. The midland region, lying between the Western Ghats and the lowlands, is made up of small and tiny hills and valleys. This is an area of intense agricultural activity. This region is rich in produces like paddy, tapioca, spices and cashew. The low land is comparatively narrow and comprises of rivers, deltas and seashore and is densely covered with coconut palms. The Ghats maintain an average elevation of 814 meters rising to peaks of 1219 to 1829 meters in certain places. The Agastyarkoodam, the southern most peak in the Ghats, is 1869 meters above sea level and figures in the popular mythology connected with Agastyamuni, the sage. Mukkunnimala near Thiruvananthapuram (1074 meters) is an important health resort in the district.

## **Climate**

The large forest reserves favourably affect the climate and induce more rain in the district. In the mountain ranges, chilling cold is experienced, whereas lower down the climate is bracing and in the plains, it is generally hot. Though the mean maximum temperature is only around 90 F, it is oppressive in the moisture-laden atmosphere of the plains. Humidity is high and rises to about 90 per cent during the southwest monsoon. The average rainfall is around 150 cms per annum. It is significant that the district gets rainfall both from the southwest and the northeast monsoons. The southwest monsoon starts by the end of May or from the beginning of June and fades out by September, while the northeast monsoon commences in October. Dry weather sets in by the end of December. December, January and February are the coolest months of the year. March, April and May are generally very hot. During the months of April and May, the mean daily maximum temperature rises upto 35 degree Celsius and in the days of December-January, it may go down to 20 degree Celsius.

## **1.6 Socio-Economic Aspects**

More than 50 per cent of the total population depends on agriculture for their livelihood. Agricultural labourers constitute 42 per cent of the total labour class. Large scale industries are not established in the district. Most of the people are engaged in low remunerative pursuits which require very little capital. Political and social consciousness, coupled with the efforts of the social, religious and cultural leaders, have helped considerably pull down the age-old feudal order. Economic changes have also affected the social life and attitude of the people.

## **1.7 Human Development Aspects**

As of 2014, Kerala has a Human Development Index (HDI) of 0.790 which comes under the "high" category and it is the highest in the country. Comparatively higher spending of the government in primary level education, health care and elimination of poverty from the 19th century onward has helped the state to maintain an exceptionally high HDI.

## **1.8 Key Economic Activities in the Region**

Kerala suffers from low industrial growth. The share of manufacturing industry is low and within manufacturing, unregistered manufacturing forms a disproportionately large part. The path forward is based on the idea of sustainable industrialization. This would balance economic prosperity, environmental stewardship, and social sustainability. Kerala will create a good sustainable business environment. It will prioritize high knowledge activities and diversify the industrial structure. It will adopt Clean Production Systems to mainstream environment. A cluster development approach for Kerala is recommended with one town one industry and one village one product model. Kerala may promote logistic hubs given its unique location. Regional innovation



systems will be built. Skilled development and entrepreneurship for sustainable development are to be encouraged. Kerala must pay special attention to small and medium enterprises. Enforcement of a social security system and strict compliance with decent working conditions are necessary for inclusive development. Every action must be benchmarked against international standards.

### 1.9 Infrastructure – Social, Physical, Financial and Production – related

Thiruvananthapuram being the State Capital has well managed infrastructural facilities. The cluster units are well connected with main roads or national high way road. The nearest airport as well as Railway Station is Thiruvananthapuram.

Trivandrum being the state capital of Kerala, having important research, training and academic institutions like, CET, Shree Chitira Engg, Rajiv Gandhi National Institute of Bio-technology. EDI is also playing a very crucial role for providing necessary support in cluster development and other entrepreneurship development related trainings. These areas can get services from Coir Board, Kochi and Trivandrum, Central Coir Research Institute at Kalavoor and National Coir Training and Design Centre at Alleppey. On need base, they can also approach the Central Institute of Coir Technology, Bangalore and MSME-DI in Thrissur.

<b>Roads (Distribution of P W D Roads (in kms) as on 01.04.2000</b>				
State Highways	Major Districts Roads	Other Districts Roads	Village Roads	Total
180.360	700.323	899.907	90.427	1871.017

<b>Vehicles registered and its classification</b>								
Goods Vehicles	Buses	Cars	Taxis	Jeeps	Auto Rickshaw	Two Wheelers	Others	Total
15565	10312	34411	6926	6929	23673	165615	2743	266174

## **CHAPTER – 2: CLUSTER PRODUCT AND PRODUCTION PROCESSES**

### **2.1 Product Profile:**

At present in the cluster locations Coir Fiber, Coir Yarn, Handicrafts and coir pith are being produced. However, once the cluster is implemented the product range will be increased as well as business volume will also be enhanced substantially.

After the intervention following product range will be available in the cluster.

- i) Fibre
- ii) Yarn
- iii) Pith Compost
- iv) Ornaments/handicrafts
- v) Needle Felt
- vi) Garden articles

#### **Fibre**

The coir industry has been undergoing various modernization process aimed at dispensing with the polluting retting process. Mechanized defibering process has replaced the traditional one considerably. In this process, the brown fiber will be received. Novel developments by the Central Coir Research Institute, under Coir Board, using a bio-technological approach with specific microbial enzymes have reduced the retting time substantially to three to five days. High quality fiber production has been maintained. The cluster has got about 3-5 DF units working and in the due course there is every prospect than this number will double with the demand from the value added production of coir.

#### **Coir Pith Compost /Manure**

The coir pith is a good alternative for soil or it can be mixed in equal proportion to increase the aeration as well as water holding capacity. Coir board has developed a simplest and effective method to convert coir pith in to organic manure by composting it with “Pith Plus”, a fungus spawn. Pith plus composts is coir pith within 30 days in to organic fertilizer useful to all crops. It improves physical properties of soil, increase soil moisture, and enhance plant root activity, increases absorption of Nutrients and crop yield.

### **Coir Yarn Production**

The commencement of heritage cluster in Haripad, will increase the demand for coir yarn considerably. This will compel the entrepreneurs as well as societies to increase the Production with the existing or enhanced machineries. The automatic spinning machine units are capable of production of yarns of runnage varying from 50 to 300 meters/kg and twists from 10 to 30 twists/feet. Coir fiber in the form of bales is the raw material for the unit. These fibers are soaked in water for one hour and are cleaned in the willowing machine. Pith content and the hard bits are removed in the process. Manual attention is also required to remove the hard bits to the fullest extent. These cleaned fibers are passed in to the feeder of silvering machine where the fibers are paralleled and drawn by draw rollers. These paralleled fibers are twisted and taken on to drum.

### **Coir Needle Felt**

The coir needle felt has number of application in the value added coir product industry, some the uses are making of garden articles, doors, panels, corrugated roofing sheets, etc. The coir needle felt is made up of raw fibre. The raw fibre is loaded into the machine pressing evenly arranged sheet and later cut into suitable sizes.



Non woven coir Needle felt Machine will be having different sections viz., Coir Fiber feeding section, Carding with first accumulator, 2<sup>nd</sup> carding with second accumulator, web forming section, needle loom section, out let conveyer section.

### **Garden Articles**

The coir pith compost is a best fertile medium for vegetable and garden plants. The coir pith compost made from coir pith can be filled in the pots and it will have good market. The water retention capacity of coir pith is a good choice than soil. The low land of the cluster area is fully sandy in nature. So it is very difficult to plant garden as well as vegetable. With the use of coir garden article the vegetables and gardens can be maintained by the costal people also. It is also useful for roof top gardening.



### **Coir Ornaments & Handicrafts**

The handicraft industry is widening day by day. The export revenue from handicrafts industry is also getting better. So the coir related handicrafts has good prospect as a money making industry. Unlike other handicrafts industry, the coir handicrafts are easy to prepare and it needs small training. The investment is also very low.

## 2.2 Production Process



The coconut is plucking from coconut tree



Manually or mechanically husk is removing from the coconut



The fibre is extracted Manually or mechanically from husks. Mechanized defibering process has replaced the traditional one considerably.



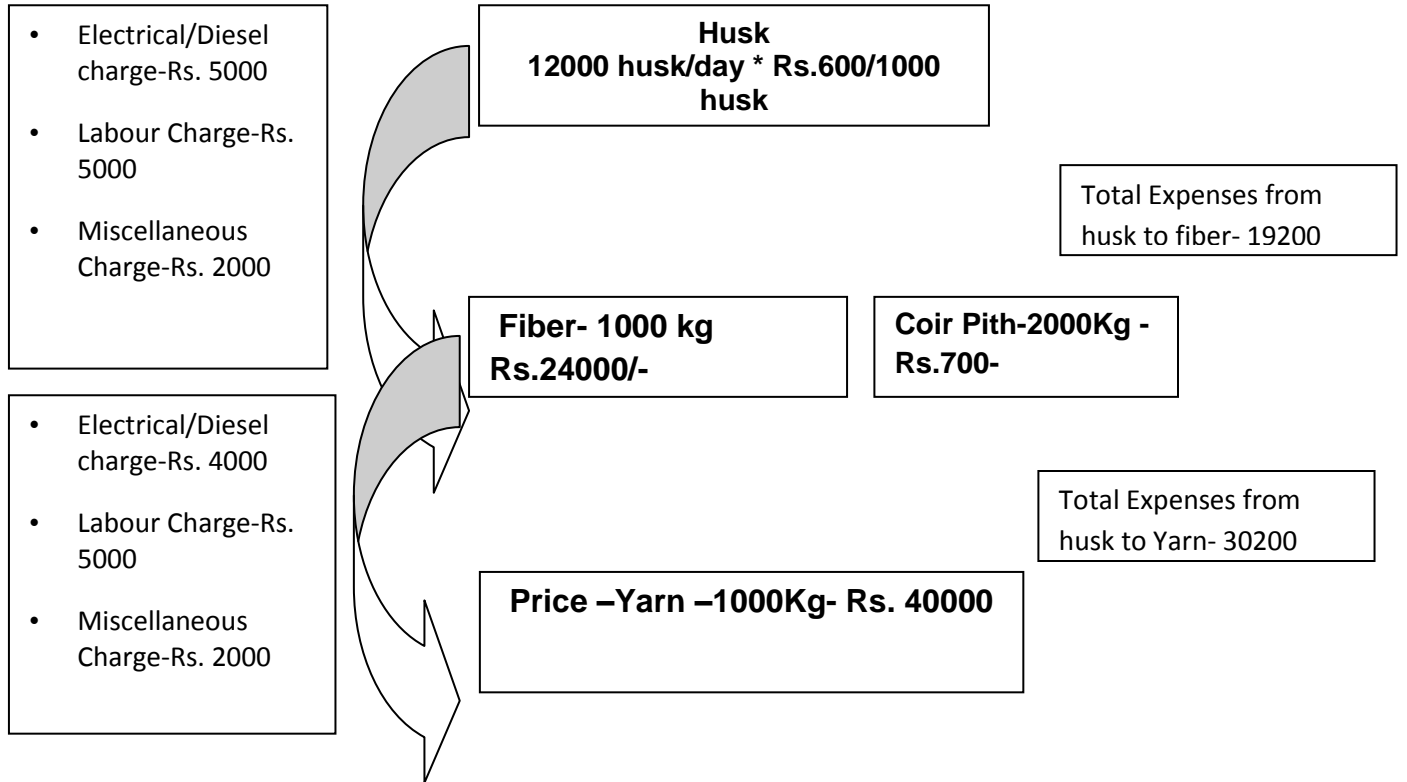
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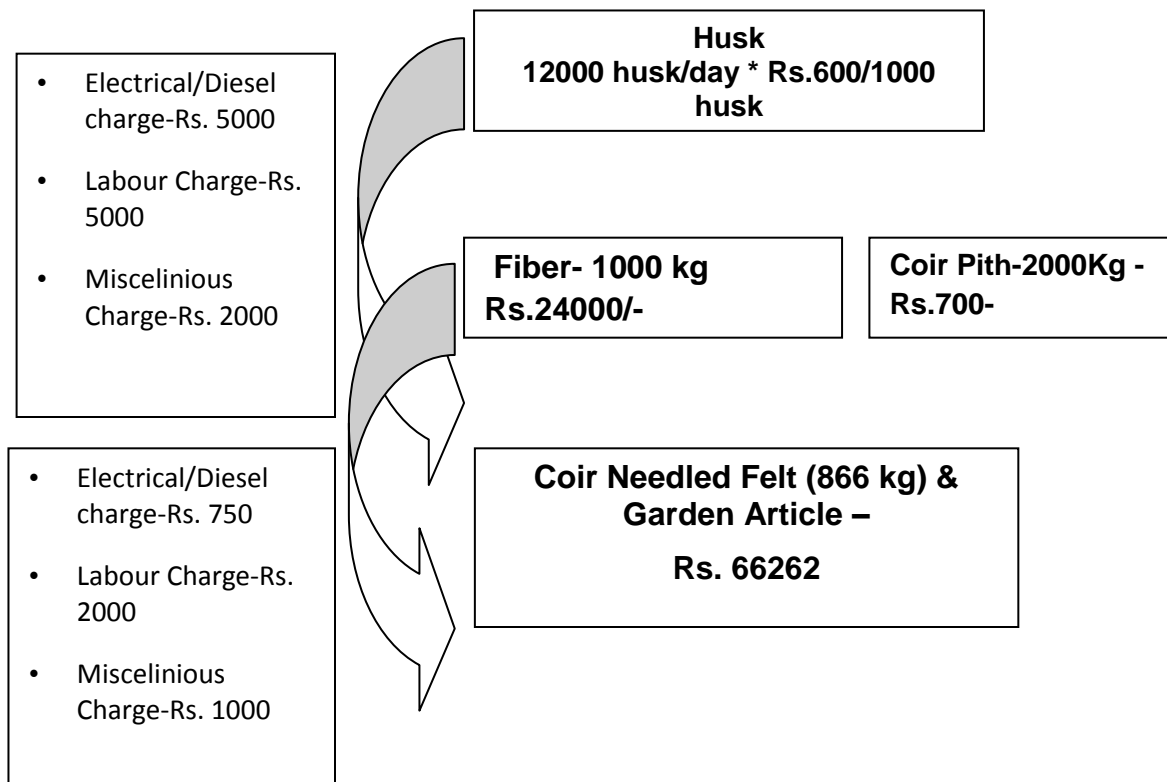
A verity of Mats or mattings are woven either manually or technologically to sell in the global market

### 2.3 Value Chain Analysis

#### Value Chain- Husk to Tufted Mat

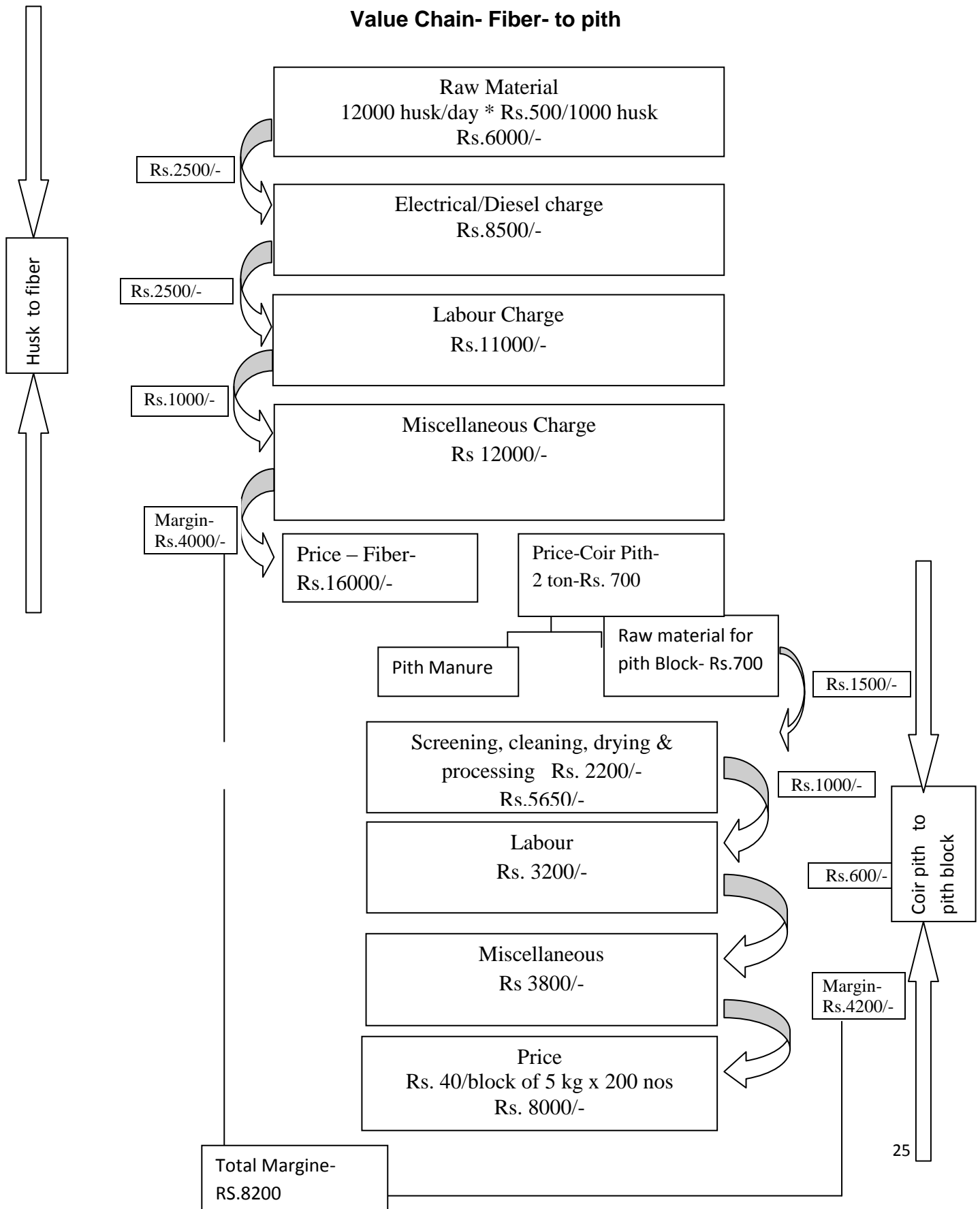


### Value Chain- Husk to Needled Felt & Garden Article



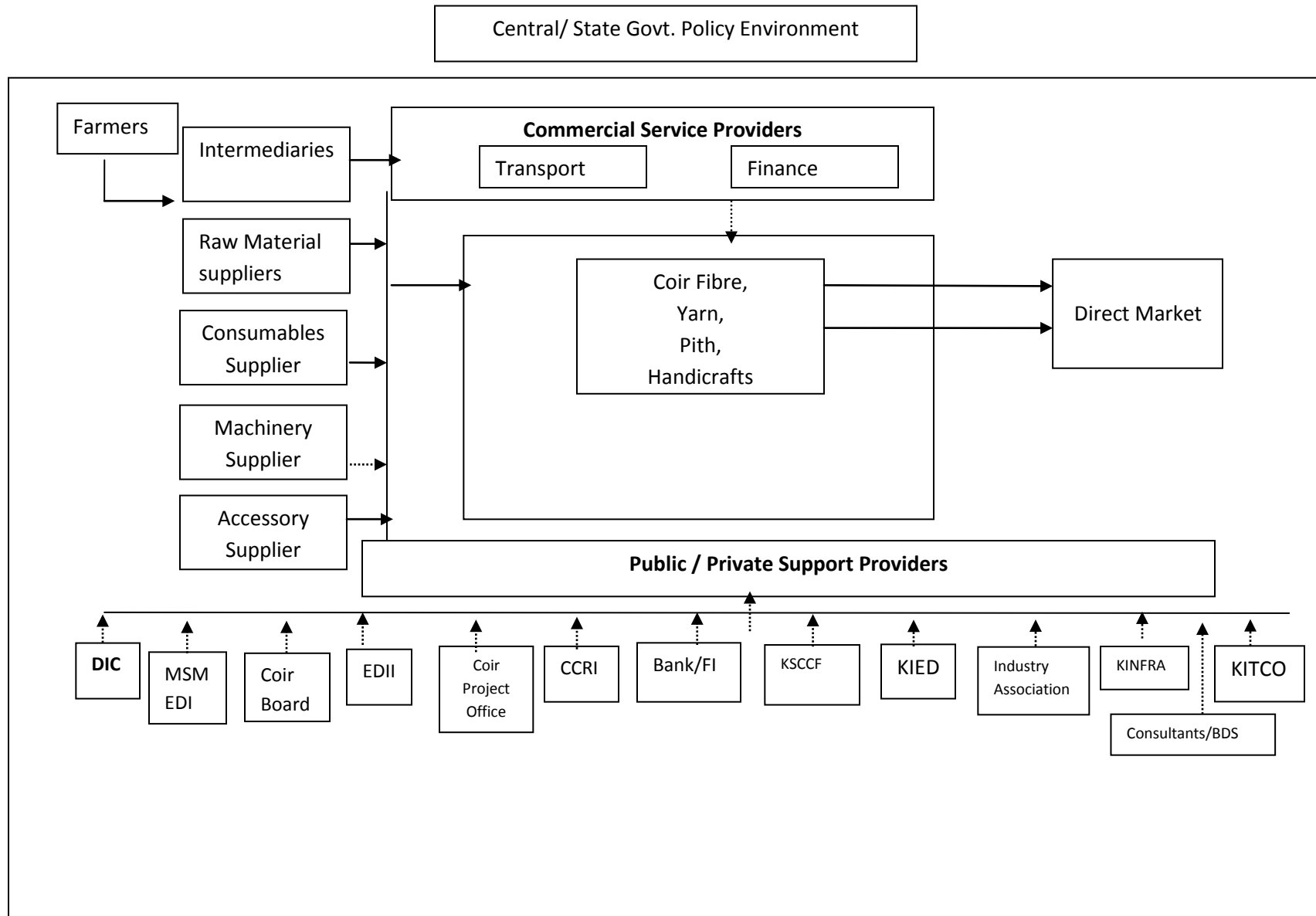


### Value Chain- Fiber- to pith



## 2.4 Cluster Map

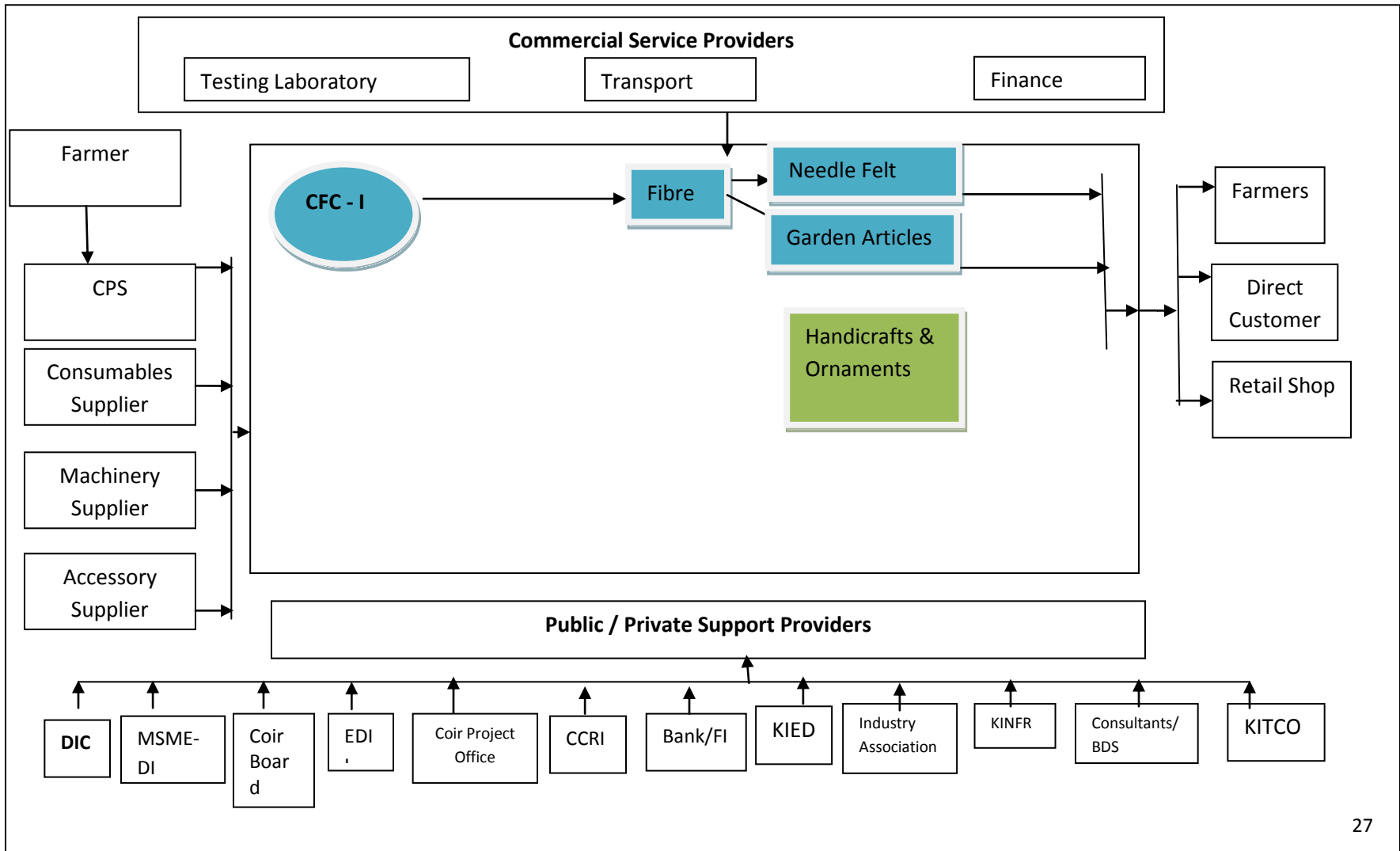
### PRESENT CLUSTER MAP



**Cluster map after intervention**

**EXPECTED CLUSTER MAP IN THIRUVANANTHAPURAM**

Central/ State Govt. Policy Environment



## 2.5 Principal Stakeholders

The main stakeholders of the cluster will be the consortium developed with multifaceted functionaries of coir sector such as artisans, entrepreneurs, machinery suppliers, raw-material suppliers, etc. However, the NGO representatives and co-operative societies prefer to align with the cluster intervention will also be with higher stake. Following segments of existing coir sector will be developed and provided higher stake.

### **Business Development Service Providers**

#### *Machinery Suppliers*

Currently the stakeholders are approaching manufacturers from different parts for necessary machineries. Modernization of machineries is a very slow process. An awareness exercise is to be carried out to get a better option for stakeholders. Research and development works has to be executed for modernization of machineries.

#### *Coir Board Kochi/Trivandrum*

Coir Board's presence with a regional office in Trivandrum is very advantageous for these CFCs. Coir Board provides financial, market development, skill training assistance for the development of coir industry and extends the financial guidance and advice for setting up of new units as well as for renewal/modernization of existing units for development and increasing productivity, quality up-gradation etc.

### *District Industries Centre - DIC*

Government of Kerala through DIC helps existing and potential entrepreneurs from all walks of life and sectors. DIC is equipped with Entrepreneurs Guidance Cell to guide the entrepreneurs. In addition to this, there are several schemes of state and central governments directed through this organization.

### *Kerala State Co-operative Coir Marketing Federation (Coirfed)*

COIRFED, an Apex Federation of Cooperative Societies engaged in the manufacture of coir and products is entrusted with the task of marketing the products of the cooperative societies. It aims the sustenance of coir workers, especially women. The mission of COIRFED is to eliminate middlemen and provide better services to cooperatives. Presently, more than 620 societies, all over Kerala, is affiliated to this organization.

The product range of Coirfed include fiber, pith funus, pith soil condition, 80 odd varieties of coir yarn, geo-textiles, alluring range of coir products like mats, mattings, rugs, coir tiles and rubberised coir products like mattress, pillows, PVC tufted mats, briquettes, garden materials like pots, climbers etc.

### *Commercial banks and micro finance institutions*

The stakeholders are having linkages ranging from Co-operative to Nationalized banks. Almost all the nationalized banks, designated cooperative banks have branches all over Trivandrum and surrounding areas. In addition these, there are regional/state level offices of specialized financial institutions like SIDBI, NABARD etc.

### *R&D, Testing and Training Institutions*

In the cluster area, there are no such institutions, but the Trivandrum being the state capital of Kerala, having important research & training and academic institutions like, CET, Shree Chitra Engg, Rajiv Gandhi National Institute of Bio-technology. EDI is also playing a very crucial role for providing necessary support in cluster development and other entrepreneurship development related trainings. These CFCs can make available services from Coir Board, Kochi and Trivandrum, Central Coir Research Institute at Kalavoor and National Coir Training and Design Centre at Alleppey . On need base, they can also approach the Central Institute of Coir Technology, Bangalore and MSME-DI in Thrissur.

## **2.6 SWOT Analysis**

### **Strength**

- Easy availability of raw material at reasonable rate. The present utilization is almost low.
- Low investment with high employment
- Traditional value of coir goods
- Traditional suppliers and input providers
- Little competition for natural fibre in export market
- Trust on quality
- Presence of Branches of national and other development Banks like NABARD etc.
- Govt. assistance through the Project Office, Trivandrum
- Market can be expanded as an eco-friendly product, for export market
- Good transport link, rail, road and air.
- Direct market facility and door to door delivery
- Exposure to SFURTI scheme during XI plan period

## **Weaknesses**

- Low level of technology and modernization
- High cost due to low working hours and unscientific way of grading of product
- Lack of linkage and trust among important stake holders
- Lack of awareness in technical and managerial knowledge
- No value added products
- Absence of cooperation among stakeholders
- Gaps in linkages among cluster stakeholders
- No exploration for new markets
- Lack of entrepreneurial and management skills among the stakeholders
- Absence of Industry-Institution linkages, especially for technology

## **Opportunity**

- Natural product (eco-friendly) acceptable to even developed market
- Government' initiative of Make in India plan
- Availability of govt. schemes like SFURTI, soft credit etc.
- Working capital mobilization under raw material bank etc.
- Unexplored market segments both national and international
- Acceptability by urban consumers in flats and apartments
- Increased acceptability of products
- Industry-Institution linkages for technology upgradation

## Threats/Challenges

- Competition from countries like Srilanka, Philippines, Bangladesh and Vietnam
- Absence of modernization, technology upgradation
- Availability of cheaper more attractive synthetic products
- Irregular supply of power and increasing cost of power
- Absence of new entrepreneurs
- Political interference in developmental activities.
- Challenges from neighbouring state on coir and yarn
- Alternative, cheaper and more attractive synthetic material



### CHAPTER 3 : MARKET ASSESSMENT AND DEMAND ANALYSIS

India is one of the top producers and exporters of coir in international market. Feedback from the over 160 international trade and technology delegates at the Expo Coir Kerala-2015 has proved that, in the era of greener thinking coir is not the commodity to stagnate as a cottage industry.

The exports of Coir products from India during the year 2014-15 registered an all time high record of Rs.,1630.33 crores with an increase of over Rs.154 crores from the previous year. The total exports of coir and coir products from the country was worth Rs.1476.03 crores in 2013-14. During 2014-15, 6,26,666 MT of coir and coir products were exported from the country as against 5,37,040 MT exported during the preceding year. While coir pith, coir fibre, handloom mar, coir rope, curled coir and coir rugs and carpets registered a growth ranging from 12 to 45%, coir yarn, tufted mat, powerloom mat, handloom matting, coir geotextiles and rubberized coir recorded decline ranging from 5 to 51%.

China is the major importer of coir fibre for manufacturing mattress boards for their domestic requirements. They are focusing further to import more cori pith/grow bags for horti/ agricultural requirements. The coir handloom products export has shown a marginal increase by quantity but no increase by value comparing last year.

During the year 2014-15 coir and coir products from the country were exported to 115 countries around the globe. China topped the importing countries with 28.6% in value and 39% in quantity. USA emerged as the second largest importer of coir products from India with a share of 21.3% in value and 12.4% in quantity.

However, taking into account the fair market potential in the export market, we have done exploratory market potential survey with the domestic actors. The

response from the field was so encouraging. Based on this reaction, we propose to focus mostly on domestic sales than in the international market initially.

**In Neyyattinkara CFC** we propose to produce Needle Felt and Garden Articles. We propose to sell 50% of the produce needle felt to the clients and the remaining 50% by making as garden articles.

### **Garden Articles:**

For selling the garden articles we will have four (4) types of marketing intervention:

- i) Domestic sales for local people
- ii) Marketing in Pilgrimage Centres
- iii) Using existing traders
- iii) Export market aimed at mostly developed countries

#### i. Domestic Sales for Local People:

The trend for gift articles will always be based on custom, taste, preference, culture etc. As such when we produce a variety item like garden articles, we propose to use it with '**gift value**' along with environmental love. Once this strategy is materialized the cluster will try to focus mostly on domestic market (approx. 80% of the production) and the export 20% of the products to overseas. This is in anticipation of very fast changing buyers taste internationally. Even if international market is dry the cluster will grow up with domestic market as the product is indigenously developed and accordingly prized.

We propose to have following channels for domestic marketing of garden articles in Trivandrum.

a) Technopark Employees: In Thiruvananthapuram Technopark there over 100 business houses wherein more than 35000 employees are working. More than 60% of them are youth. As most of the business houses encourage birth day celebrations of the employee along with a token gift or birth day card, we plan to promote garden article as a birth day gift item. As the product proposed is of green category, and youths are generally prefers nature friendly items, the product has viable proposition for selling as birth day gift.

We also propose the companies to hand over the garden article, gift items to their international clients and visitors as a token of appreciation and relationship.

Garden articles could also market as table top item. A purely greenish nature friendly table top item could be dreamt at every table of Technopark. As a table top item we will promote it to all government and corporate offices.

b) School Students: Thiruvananthapuram district has approximately 3 lakhs students from primary level to higher education. We also propose the birth day celebrations or similar occasions to be graced with presents garden articles. Once students accepted the concept behind the need of using green items, environmentally sensible students will accept it wholeheartedly.

ii) Marketing in Pilgrimage Centres

Thiruvananthapuram is blessed with a few highly attractive pilgrimage centres like Aattukal Bhagavathy Temple, Sivagiri Ashram, Sree Padmanabhaswamy Temple, etc. Only in Aattukal temple approximately

35 lakhs pilgrimage visits every year. By adding the number of pilgrims visits in other nearby centres it is expected to touch a turn out of more than 50 lakhs pilgrims in Thiruvananthapuram. We propose to have temporary exhibitions in all these locations and try to sell substantial portion of the products.

iii) Using existing traders

Our market survey for the products have shown that over and above national/ state level bodies, 7 private actors are doing coir product marketing in the district. All of them were positive to promote the products as it is innovate, decorative, gift and natural friendly item. The Traders who have given positive responses are as follows:

- Sanils Coir Industries, Thriuvananthapuram
- Mini Coir Industries, Thiruvananthapuram
- Shajeer Coir Industries, Thiruvananthapuram
- N N Coir Industries, Thiruvananthapuram
- Coir Best, Thiruvananthapuram
- Thoppil Coir Coco Industries, Thiruvananthapuram

iv) Export market aimed at mostly developed countries

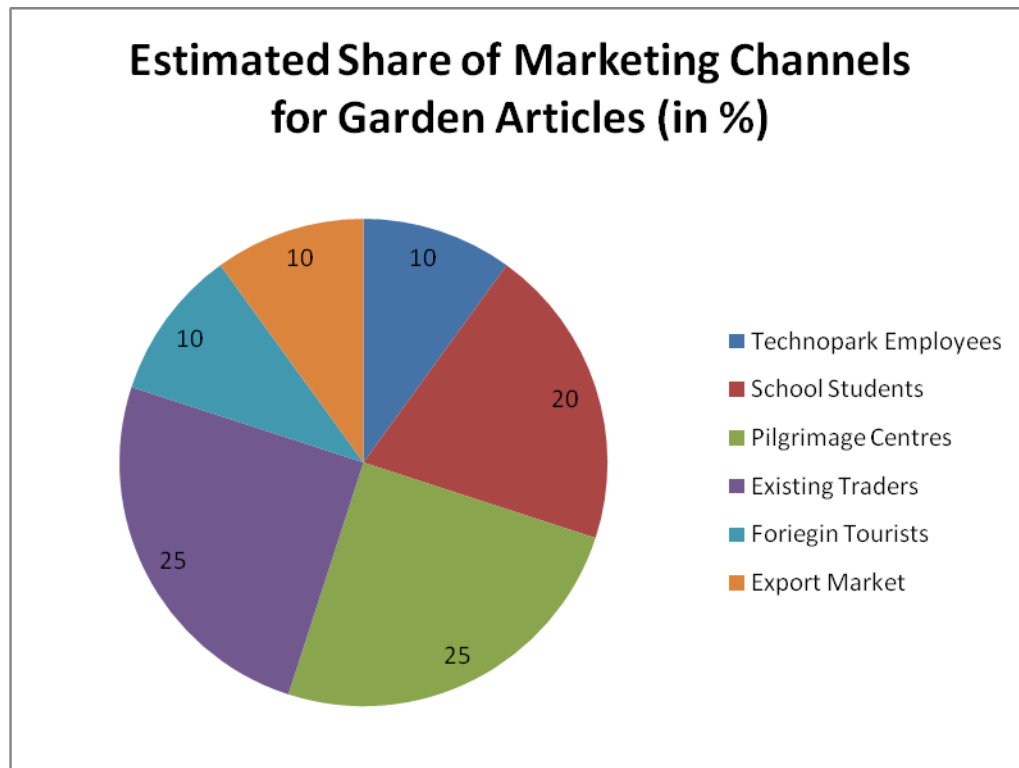
Kovalam and Kanyakumari are the places which are visited by large number of foreign tourists. We propose to have permanent stalls on these locations to attract the tourists. We are also in contact with exporters based at Alappuzha for exporting the products.

Over and above the efforts will be made to boost the product by participating in:

- \* National/ international Exhibitions

- \* Buyers'-Sellers' Meet
- \* Fairs organized by Agricultural/horticultural Departments
- \* National level network where EDI has promotional possibilities

Overall the marketing share of different channels will be as follows:



**Needle Felt:**

Altogether the CFC will produce 468 Ton Needle Felt. Out of these, 225 Ton will be used to produce garden articles and the remaining 243 Ton Needle Felt is to be marketed directly to various users. This is very small market share of the prevailing market demands. However, our efforts to have tie up with following

leading clients has made positive response. Following units are the potential clients for Needle Felt.

**Eastern Mattresses Pvt Ltd (Sunidra Mattresses)**

3rd Floor, Eastern Corporate Office,  
N H Bypass Edapally  
Near Mylalath Siva temple, Edapally P.O  
Cochin - 682 084  
Tel: +91- 484 3001409, 3001407  
support: +91 - 8589033246  
Email: sunidramktg@eastern.in

**KURLON MATTRESS**

No.301, Manipal North Blk,  
3rd Flr, Manipal Ctr,  
Dickenson Road,  
Bangalore - 560042 ([Map](#))

**Duroflex MAtress**

**Address:** No. 508, 1st Floor,  
6th Main, 6th cross, S T Bed Layout,  
4th Block, Koramangala, Bengaluru,  
Karnataka 560034  
**Phone:**080 2550 5015

Over and above there are number of upholstery workers in Kerala and Tamil Nadu. We also have made some survey on the demands of these units and Trivandrum based units are giving positive response, as for them it is locally available.

## **CHAPTER 4 :SWOT AND NEED GAP ANALYSIS**

A threadbare discussion with various stakeholders of the clusters helped us to understand the limitations and dynamics of the cluster with more clarity. Following are our major observations on the cluster.

### **Strengths:**

The unemployment situation in Kerala is acute and youth especially women prefer to engage in economic activities directly. The socio-educational culture of the cluster location, as in the case of Kerala State, provides scope to engage technical people in the cluster. The district is a coconut growing centre and it can provide the basic raw-material, i.e, husk in required quantity. If a cluster intervention is placed and value added products are begin to produce then, local husk could be fully de-husked in the cluster itself. As the coir related work is very old in the cluster, ample human resources are available there. The fibre produced in the cluster location is of best quality and its value added products will encash better results. Almost of all nationalized/scheduled/commercial and developmental banks are existing in the cluster. As the first proposal for developing the cluster is mooted by two leading NGOs, the level of social commitment for the cluster is ensured. Similarly, District Industries Centre, Coir Board etc. organizations can work as a pro-active promoter of the cluster.

### **Weakness:**

One of the limitations of the existing cluster is lack of improved technology. Similarly though raw material, i.e, husk is available there is no effective way of mechanism to collect them. Might be there is a little entrepreneurial gap within the cluster so that it is not geared to acquire higher limits. Probably this is also affected production cost in adverse way. Economy of scale and effective

approach is to be inbuilt within the cluster. A cordial linkage is missing between within the cluster actors, especially with manufacturers and actual buyers. Proper awareness and exposure on technology, production process and prospectus of the cluster is remain unaltered. The attitude for product diversification is not much there. Though the cluster has banking and financial institutions it is felt that some of the units are facing acute working capital crunch. There is no better packaging facility and also no initiative to publicity and advertisement.

**Opportunity:**

The cluster can prevent the plastic and other substitute products and make opportunity for coir products. There is a tremendous scope for creating value added products and spread the reach. The initiative like MUDRA Bank will be useful to nurture new entrepreneurs in the cluster. Similarly there is a better opportunity for addressing the working capital crunch. As the cluster has availability of husks, creation of value added products by using manufacturing fibre there itself will help the cluster to compete with other market players.

**Threats:**

The expected threat for the product in the international market is on price of the products. The technology is highly influencing the price structure. If effective mechanism is used for production that will cause for cost escalation as well as in pricing pattern. If price of plastic products reduced further that will further reduce the scope of coir products. Lack of continuous electricity may create havoc if high end machinery installed for production. The state like Kerala is highly alerted on environmental degradation and the process could be tampered, if proper mechanism and sensitization is not carried out.



### **Need Gap Analysis:**

Thiruvananthapuram district is blessed with large area of coconut growing. This district has third position while comparing the coconut production of the State. Neyyattinkara area of this district is contributing more than 30% of the coconuts. But, proper utilization of the husks is not taking place there.

Similarly, there is no value added products being manufactured in the proposed cluster locations. Though a few units have started some initiative for diversification, still it is at nascent stage. In view of the available of husks and trained manpower, there are ample scopes to get into the production of higher quality value added products. Usage of technology is also not much there. While analyzing the input output ratio there is higher level of imparities. As such there is tremendous scope for intervention in the location with cluster activities.

The living standards of its coconut farmers or coir producers are not coming up in the location. Under the above circumstances, it is the need of the hour to rejuvenate the activities of coir cluster by adopting suitable strategies to enhance earning of its members. It is the rationale for intervening in the cluster.

## CHAPTER 5: PROFILING OF THE IMPLEMENTING AGENCY

### PROFILE OF THE IMPLEMENTING AGENCY (IA)

#### Profile of the Implementing Agency (IA)

<b>Institutional Structure/ Registration Details</b>		
	Legal Status	The implementing agency for the proposed Coir Cluster will be Grama Seva Bhavan. It is a registered Society under Travancore Cochin Literary, Scientific and Charitable Registration Act.
	Date of Incorporation/ Registration	Regn No.1257 of 1987.
	Registered Address	Grama Seva Bhavan Kanchampazhinji PO Thiruppuram, Neyyattinkara, Thiruvananthapuram-695525 Kerala
	Office Address/ Locations	Grama Seva Bhavan Kanchampazhinji PO Thiruppuram, Neyyattinkara, Thiruvananthapuram-695525 Kerala
	Affiliated to coir Board	Yes / No Grama Seva Bhavan is implementing agency (NGO) proposed for cluster intervention and they are working as Training Service Providers to the Coir Board.  Regn No.1257 of 1987.

<b>Governance Structure</b>					
Composition of the Executive Board/ Trustees/ Governing Body/ Managing Committee and Back Ground of Members					
Name of Member	Designation	Back Ground / Profile	Contact Number	Email	
Thiruppuram Gopan Visakh, Thuruppuram, Trivandrum	Chairman	Social Workers	9447427637		
P. Cleetus Sruthylayam Puthyapura PO Tvm	Vice Chairman	Business	9446416416		
Geeta S Melathil Vilakam Arumanoor Tvm	Director	Engineer	9895951278		
S R Susha Nsndanam Mulluvila PO, TV	Treasurer	Secretary	0471-2265354		
Adv. S. Krishna Kumar Pappanamcode PO TVM	Member	Advocate	9447402106		
S. Preetha Kumary Thiruppuram PO TVM	Member	Social Worker	9633667601		
Jayalekha Devi Kanchampazhinji PO, TVM	Member	Social Workers	9947881389		
Shilpa Sa Nemom PO TVM	Member	Social Workers	9497426826		
S Mini Kanchampazhinji PO TVM	Member	Social Worker	9996012992		

<b>Operational Profile</b>	
Major Objectives – Vision, Mission, Goal of the Organisation	Socio Economic upliftment of the downtrodden in the state of Kerala by inculcating entrepreneurial orientation, education, training and research. Work with the community for uplifting the marginalized to the mainstream of the society, even by helping them to identify and use government or any other resources.
What are focus Areas of operation	Implementing agencies has wide exposure in the development field of entire State. They are closely associated with Khadi and Village Industries Commission as well as Kerala State Youth Welfare Board. The main office of the implementing agency is in Neyyatiinkara, where the cluster activities are proposed. Another CFC proposed is in Kattakkada, the adjacent place of Neyyattinkara. As such the operational profile of the agency is quite suitable to the proposed cluster intervention.
Provide Key projects/ Activities being under taken by the IA-Brief description including the project scope, size and duration (mention specific experience in the area / sector of the proposed project)	<p>The implementing agency have undertaken activities/projects of various state and central bodies viz ;Khadi and Village Industries Commission, Kerala State Youth Welfare Board, NABARD, Nehru Yuva Kendra besides, Coir Board.</p> <p>Agency has implemented the programme across Kerala basically concentrating on Training and Exposure Visits, besides Design related activities.</p>
Mention Key Clients/ donors/ Associated with for project implementing along with details on the nature of Association	<ol style="list-style-type: none"> <li>1. Coir Board</li> <li>2. Kerala State Youth Welfare Board, Trivndrum</li> <li>3. NABARD – Trivandrum</li> <li>4. Development Commissioner, Handicrafts for AHVY Programmes</li> </ol>
Mention key partnerships / Alliances (if any)	Agency has long alliance with Coir Board for conducting EDPs and Exposure visits to the people involved in the coir sector.
<b>Management Profile</b>	
Back ground of key personnel (Professionals and others) with brief profile	The management of the implementing agency is carried out by a committee of 9 members. However, it has a team led by Chairman. In his absence the Vice Chairman will take care of the activities. They are administratively

	of the senior management personnel	supported by a Director and Treasurer. They have well conceived accounting norms and has submitted balance sheet. In view of this, it is felt the implementing agency is capable to manage the operation of the cluster.	
<b>Financial Position</b>			
Key Financials of the organization (Provide copy of the audited financial statements for last three years)	Fixed Asset		554175
	Current Assets		271890
	Current Liabilities		739500
	Revenue Trend for last three years		Incremental
	Profit / loss for the last three year		N.A.
	Any other		
<b>Bank Account Details</b>			
	Name of Bank	State Bank of India	
	Branch Name	Neyyattinkara	
	Bank account No	30381787259	
<b>Contact Details</b>			
	Name of the Contact Person	Thiruppuram Gopan	
	Designation of Contact person	Chairman	
	Correspondence Address	Grama Seva Bhavan Kanchampazhinji PO Thiruppuram, Neyyattinkara, Thiruvananthapuram-695525	
	Contact No.	9447427637	
	Email Address	<a href="mailto:gramasevabhavan@gmail.com">gramasevabhavan@gmail.com</a>	

## **CHAPTER 6: PROJECT CONCEPT AND STRATEGY FRAMEWORK**

### **6.1 Project Rationale**

Thiruvananthapuram district is blessed with large area of coconut growing. This district has third position while comparing the coconut production of the State. Neyyattinkara and Kattakada area of this district is contributing more than 45% of the coconuts. Approximately 660 TON fibre is producing here annually. More than 4000 trained artisans are available in the cluster.

Irrespective of all these positive factors, cluster is not able to utilize the available resources, human as well as rawmaterial, for producing value added products. As data shows the century old trade is stagnant mostly with fibre production and marginally with coir and handicrafts.

The artisans are ready to contribute to the development of the cluster. NGOs and other stakeholders are also of the view that Neyyattinkara could be promoted in the coir cluster. As such the cluster is proposing to set up 2 CFCs for the production of value added items.

### **6.2 Project Objective:**

The main objective of the project is to provide vibrancy to the coir activities in the cluster and position it with value added products. However, the intervention will also focus to:

- Utilize unused husks being produced in the area.
- Demonstrate benefits and needs for using technology in coir production
- Produce more value added products in the area
- Attract more people to work in the coir sector

- Directly as well as indirectly help for boosting export market of the coir products
- Provide meaningful income to the people engaged in coir sector
- Establish a linkage of entire area of coir related activities in the district

### **6.3 Focus Products/ Services:**

Keeping in mind the project objective as specified above, the cluster intervention focus on followings:

#### *Products:*

- By giving thrust to technology, manufacture value added products
- quality yarn
- Needle Felt
- Handicrafts
- Garden articles
- Ornaments

#### *Services:*

- Develop a trust among all cluster members in the location
- Train the members to perform a better quality life
- Provide training to new entrepreneurs to join in the coir related activities
- Enhance skills of existing members for producing value added products

### **6.4 Conceptual Framework/ Project Strategy**

The overall framework of the project is the development of coir sector. It has strategized the intervention on the guidelines and framework of SFURTI schemes of Coir Board. The intervention will take care of followings:

- Bring all stakeholders together and increase effectiveness of the cluster

- Take a cluster approach in the area and improve life and product cycle of coir workers and coir
- Ensure availability of raw material and produce them locally in quality methods
- Frame out a proper value chain suitable to the cluster and involve stakeholders in the process
- Establish 2 common facility centres and offer its service to all
- Develop value added products and link them with export market for getting high return to the coir workers
- Holding the slogan of 'zero' waste policy convert its waste to products and offer them in the market
- Develop forward and backward linkages to ensure vibrancy of the cluster

**Project Strategy:**

The basic strategy proposed for the improvement of coir sector is by providing support help and groom artisans with the norms of cluster. In view of that SPV has formed with the core contribution of principal stakeholders and major cluster activists.

In the CFC, there will be provision to manufacture Needle Felt and garden articles. In addition to this production of ornaments and handicrafts will also be made. The entire process attract other people to work in the coir segment.



## CHAPTER 7: PROJECT INTERVENTIONS (CORE SFURTI)

The following Soft and Hard Interventions are envisaged in the Cluster

### Soft Interventions:

Sr. No.	Intervention	Need
i.	Cluster awareness and Trust Building workshops:	Cluster promotion is a group activity wherein all stakeholders are to be apprised on commonalities and combined visioning exercise is to be held. This will also be helpful to have an understanding to each of the stakeholders on their duties and responsibilities that they have to perform for the vibrancy of the cluster. In view of this a series of awareness and trust building workshops are proposed. Over a period of 3 years it is estimated to impart inputs for at least 1500 cluster members.
ii.	Exposure visits:	As the cluster intervention is taking place in adult training method, more inputs on cluster dynamism, process, collectiveness etc. are to be shown to its members. This will be managed by taking the members to successful cluster locations within Kerala or its nearby locations. It is estimated to organize exposure visits to 100 members over a period of 3 years.

iii.	Visit to national / international exhibitions:	The cluster will be, by default, producing value added products in higher volume. While with the funding support of SFURTI schemes, the cluster will be able to produce, there is tremendous need to market all the products it is produced. As coir products are being used almost all houses and offices, its market should be done directly to the customers to the maximum extent. With this purpose, visit to national and international exhibition is planned for 100 members within three years.
iv.	Entrepreneurship Development Programme (EDP):	Success of any project is basically depends upon the ability of its leader. "Enterprise never fails, and if, that is only Entrepreneur". As such there is a tremendous need for developing entrepreneurial competencies / acumen of the cluster leaders. To develop a group of best performers within the cluster, entrepreneurship development training is proposed for 50 members.
v.	Skill and skill up-gradation Training:	Technical competency of artisans is one of the basic requirements for success of the cluster intervention; especially when the cluster is proposed to produce value added products. As Tufted Mat production is high technology based production process the cluster needs higher level technicians and skilled persons. It is in this context skill training or its upgradation is proposed for 100 members.
vi.	Training program for Social Engineering (TSE):	As the basic aim of the cluster intervention is to provide a quality life to its members there is a need for training on quality life and social engineering. The development of society is based on the process it takes under social engineering. As the cluster like Haripad, wherein more

		than 8000 artisans are directly or indirectly benefited from the intervention process that emerged and to be build on commonalities require adequate attention on social engineering. Programme is proposed to conduct for 300 members on social engineering.
vii.	Management Development Training (MDP):	As in the case of need for entrepreneurial personalities, cluster requires efficient managers to perform its functions. As such Management Development Training is also proposed for 30 members in the first year, so that they will be groomed to perform the functions when the cluster is getting promoted.
viii.	Workshop on Development Schemes (WDS):	In the cluster, there is a need for multiplied number of entrepreneurs. As such to attract the youth to be entrepreneurs, they should be sensitized on development schemes being promoted by coir board, coconut board and various other developmental agencies. A workshop on such schemes is proposed in the first year to train at least 35 youth.
ix	Training on Quality Production (TQP):	There is a need for giving more attention to production parameters. In each and every stage of production, each one should take care of quality. Quality consciousness should be build at all level. In view of this a training programme for 35 members are proposed.
X	Training Programme on International Marketing (TPIM):	Training on International Marketing is proposed for 10 core members. As the tufted mat is generally used for export, there is need for strong marketing section within the cluster. The propose programme will take care of such needs. They will also be imparted inputs on design and packing.

Xi	Website creation	As the business of modern era is mostly on on-line based, the cluster needs its own website and online marketing services. It is in this context a website is proposed for the cluster.
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**Hard Interventions:**

A common Facility Centre for the manufacture of Needle felt and Garden Articles. In addition to this, artisans ill be trained handicraft making and coir ornaments,

## CHAPTER 8: SOFT INTERVENTIONS

Followings are the soft intervention proposed for the cluster:

Sl. No.	Project Intervention	No. of Beneficiaries Covered	Cost (Rs. In Lakhs)
i)	Cluster Awareness & Trust Building	400	3.50
ii)	Exposure visits	100	5.10
iii)	Skill & skill up gradation training	100	4.00
iv)	Management Development Training	50	3.30
v)	Training Programme for quality way of life	100	1.00
vi)	Exposure visit to successful cluster	35	0.60
vii)	Workshop on Paradigm shift	30	1.60
viii)	Workshop on development schemes	35	0.60
ix)	Web site creation	0	0.30
x)	Market development (National / International exhibition )	10	5.00
	<b>Total</b>	<b>860</b>	<b>25.00</b>

## CHAPTER 9: HARD INTERVENTIONS

Following hard interventions proposed in the cluster:

### Common Facility Centre of Coir Needled Felt and Garden Article

#### a. Project Cost

Sr. No	Description	Rs. In Lakhs
i)	Land	Available
ii)	Land Development	1.00
iii)	Building	15.00
iv)	Plant and Machinery	75.00
v)	Miscellaneous Fixed Assets	0.25
vi)	Preliminary Expenses	0.50
vii)	Preoperative Expenses	0.50
vii)	Provision for contingency	4.05
viii)	Margin Money for working Capital(25% of Working Capital Requirement)	5.77
	<b>Total Fixed Capital</b>	<b>102.07</b>
ix)	Working Capital Requirement	17.30
	<b>Total Project Cost</b>	<b>119.37</b>

#### b. Means of Finance

Sr.No	Description	Amount in Lakhs
<b>i)</b>	<b>Fixed Capital</b>	
a	Beneficiary Contribution-25% of Fixed Capital	25.52
b	Grant from Coir Board- 75% of Fixed Capital	76.55
	Total i) (a+b)	<b>102.07</b>
<b>ii)</b>	<b>Working Capital</b>	
	Working Capital Corpus(20% of Total Fixed Capital)	
a	Beneficiary Contribution-25% of Working Capital Corpus	4.33
b	Grant from Coir Board	12.98
	Total ii) (a+b)	<b>17.30</b>
<b>iii)</b>	<b>Total</b>	<b>119.37</b>

## CHAPTER 10: PROJECT COST AND MEANS OF FINANCE

### A. Project Cost And Means Of Finance

#	Project Intervention	Cost (Rs. Lakhs)	Means of Finance	
			Grant from Coir Board, Govt. of India	Beneficiary contribution
<b>1</b>	<b>Soft Intervention</b>	<b>25</b>	<b>25</b>	<b>0</b>
<b>2</b>	<b>Hard Intervention</b>			
a	CFC-1-(Neyyattinkara) Needle Felt & Garden Articles			
i)	Fixed Capital	102.07	76.55	25.52
ii)	Working Capital	17.30	12.98	4.33
	Total a (i)+(ii)	<b>119.37</b>	<b>89.53</b>	<b>29.84</b>
<b>3</b>	<b>IA Cost</b>	<b>20</b>	<b>20</b>	
<b>4</b>	<b>TA Cost</b>	<b>9.16</b>	<b>9.16</b>	
	<b>Total</b>	<b>173.53</b>	<b>143.69</b>	<b>29.84</b>

## CHAPTER 11: PLAN FOR CONVERGENCE INITIATIVE

No cluster initiative for cluster development could be succeed without active support of cluster agents as well as other development agencies. One of the basic parameters for the success of the cluster is as such convergence plan. Under the proposed cluster we have formulated some of the plan, which are as under:

### a) Ministry of Commerce, Government of India, New Delhi

- Market Development Assistance Scheme of Ministry of Commerce, Government of India for market development internationally. A sum of Rs.2.00 lacs is expected under this scheme.

### b) Directorate of Coir Development, Government of Kerala

- Market Development Assistance: An amount of Rs. 800.00 lakhs has been apportioned in the budget by Government of Kerala. The cluster is expected to avail Rs. 2.50 lakhs under this scheme.
- Government of Kerala is also supporting cluster development program: A sum of Rs. 150.00 lacs has been earmarked for the same. Since the cluster is having societies as stakeholders, a sum of Rs.2.00 lacs may be sourced under this scheme.
- Husk Collection Scheme : To promote utilization of husk in the State, State Government is offering subsidy for the following :
  - Husk collection
  - Establishing Defibering units
  - Revamping existing DF mills.

State Government promoting husk collection through workers' co-operatives and Kudumbashree units. A sum of Rs. 6 crores has been ear marked on this



account. During the cluster development program it would like to avail Rs. 2 lacs from this scheme.

- Regulated mechanization of coir Industry - Under this scheme Government of Kerala is providing subsidy for procuring computer with software for computer aided design. Government has earmarked Rs. 10 crores for this purpose. A sum of Rs. 3 lakhs may be availed by the cluster.

#### c) Coir Board

- Avail the schemes of Coir Udyami Yojana of Coir Board for developing private entrepreneurs. 4 private entrepreneurs will be developed availing this scheme. This scheme will have the component of subsidy as well as loan. A sum of Rs. 40 lacs may be earmarked under this scheme.
- Under Mahila Coir Yojana , Coir Board is providing subsidy for purchasing machinery for coir handcraft and jewellery manufacturing units. A sum of Rs. 60,000/- is earmarked.

#### d) Social Security Schemes

During the cluster intervention, the artisans will be linked to following social security schemes :

- Pradhan Mantri Suraksha Bhima Yojana
- Pradhan Mantri Jeevan Jyoti Yojana
- Atal Pension Yojana

## **CHAPTER 12: ENHANCED PROJECT COST AND MEANS OF FINANCE**

The project has taken into consideration almost all possible interventions required in the cluster implementation. However, there will be a need for more convergence to ensure participation of all stakeholders and keep the cluster in vibrancy. The project has explored following convergence options:

<b>Sl.No.</b>	<b>Particulars</b>	<b>Amount in Lakhs</b>
1	Market Development Assistance Scheme of Ministry of Commerce, Government of India	2.00
2	Market Development Assistance, Directorate of Coir Development, Government of Kerala	2.50
3	Cluster development program ,Directorate of Coir Development, Government of Kerala	2.00
4	Husk Collection Scheme, ,Directorate of Coir Development, Government of Kerala	2.00
5	Regulated mechanization of coir industry	3.00
6	Coir Udyami Yojana of Coir Board	40.00
7	Mahila Coir Yojana of Coir Board	0.60
	<b>Total</b>	<b>52.10</b>



## CHAPTER 13 : PROJECT TIMELINE

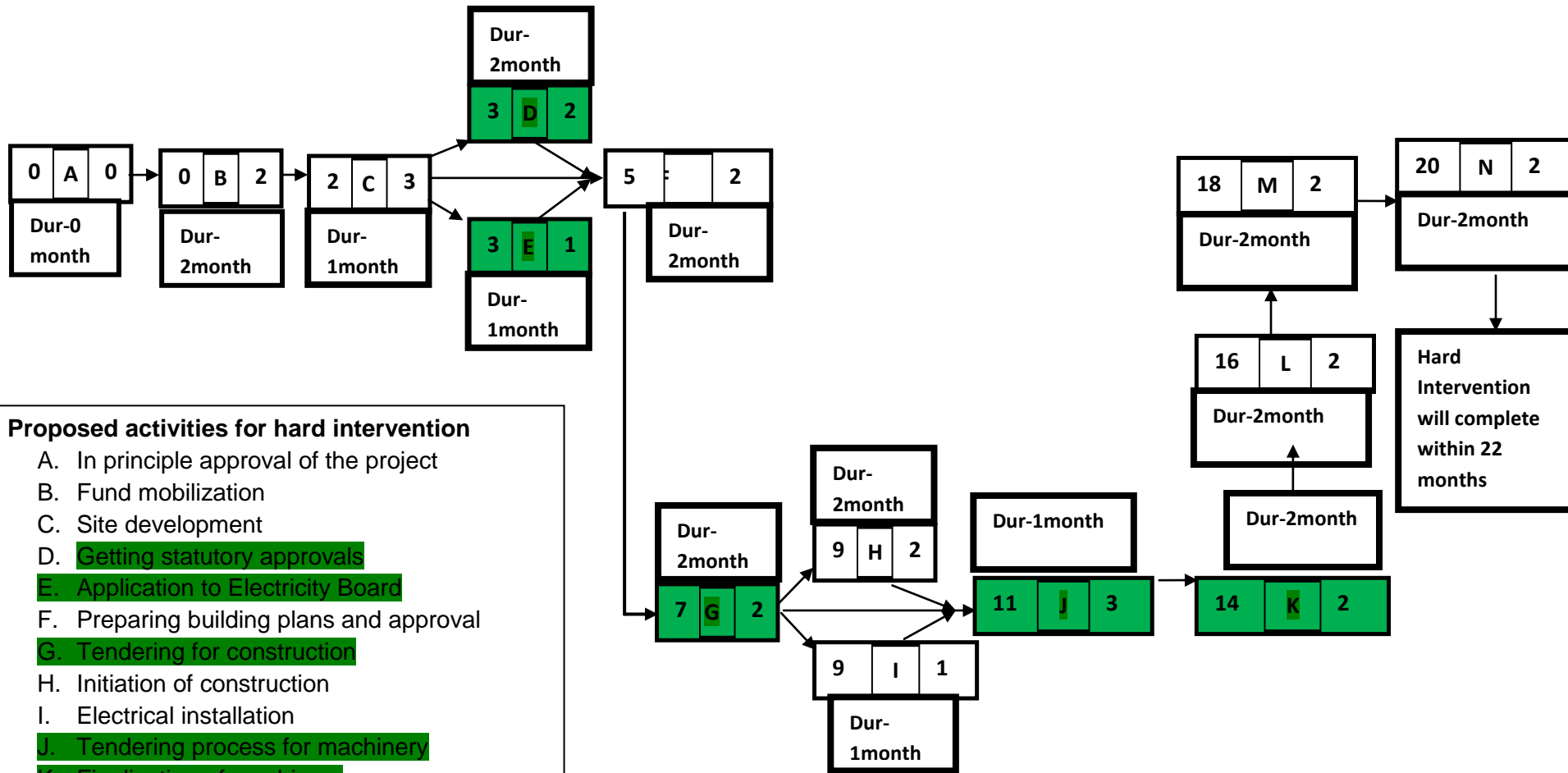
### Soft Intervention

Sr. No	Name of Activity	Objective	Duration	Year 1				Year 2				Year 3				
				Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr.4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
1	Cluster Meeting	To maintain the trust among the members	one day													
2	Awareness Programme on Min. of MSME Other Ministry & Departments	To build awareness on Various Govt. Schemes	one day													
3	Skill Development Training	To make the youth and women capable of starting coir spinning														
3	Skill Upgradation Programme															
4	Exposure visit	Benchmarking/seeking opportunities in marketing and technology														
5	Awareness programmes on Quality way of life	To obtain international certifications														
6	Creation of Web sites	Wider Publicity for products and cluster														
7	Printing of Brochures	Publicity of Products														
8	Technology up gradation	To improve the skill/productivity & Quality of the products														
9	Market Development															

## Hard Intervention

Hard Intervention													
Sr. No.	Name of Activity	Year 1				Year 2				Year 3			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Finalization of the project	■											
2	Registration of CFC		■										
3	Site Selection		■										
4	Site Development			■									
5	Machinery identification				■								
6	Submission of project to Coir Board			■									
7	Fund Mobilization					■							
8	Civil Work construction					■	■						
9	Machinery sourcing						■						
10	Commissioning of machinery							■					
11	Trail production								■				
12	Commercial production									■			

## CRITICAL PATH METHOD



### Proposed activities for hard intervention

- A. In principle approval of the project
- B. Fund mobilization
- C. Site development
- D. **Getting statutory approvals**
- E. **Application to Electricity Board**
- F. Preparing building plans and approval
- G. **Tendering for construction**
- H. Initiation of construction
- I. Electrical installation
- J. **Tendering process for machinery**
- K. **Finalization of machinery**
- L. Installation of machinery
- M. Trial Run
- N. Commercial Production

## CHAPTER 14: DETAILED BUSINESS PLAN

### CFC -1- Integrated Coir Processing Unit of Needled Felt, Garden Article & Coir Pith Compost

#### 1.0 INTRODUCTION:

One of the major bottlenecks coir industry faces in Kerala is non availability of fibre and limitations in producing value added products. While production of fibre in Kerala requires a conducive legal and policy environment, value added production basically needs support of financial assistance.

The possible intervention in capital intensive mode is production of needle felt. Today the demand for needle felt is coming high. The products being produced generally from Needle Felt are:

- i) Needle Felt
- ii) Bed-bare
- iii) Garden Articles

The needle felt and its product range has started to earn high export value on date as such needle felt is a promising industry in coir sector.

The most potential product from needle felt is garden articles. The process of manufacture involves cleaning of coir fibre in willowing machine for the removal of husk particles, nose fibres and coir pith. The fibres are then fed to the sheeting machine to make it in sheet form of required thickness. A light coating of compounded natural rubber latex is applied to the coir fibre sheet by hand or automatic spraying.

## Project Summary

Sl.No	Description	Amount in Lakhs
1	Name of Cluster:	
2	<b>Name of project: CFC for Needled Felt and Garden Article</b>	
3	<b>Project Cost</b>	
a	<b>Fixed Capital</b>	
i)	Land	Available
ii)	Land Development	1.0
iii)	Building	15.0
iv)	Plant & Machinery	75.00
v)	Miscellaneous fixed asset	0.25
vi)	Preliminary Expenses	0.50
vii)	Pre-operative expenses	0.50
viii)	Provision for Contingency	4.05
ix)	Margin Money for working Capital(25% of Working Capital Requirement)	5.77
	<b>Total</b>	<b>102.07</b>
b	<b>Working Capital</b>	17.30
	<b>Total Project Cost (a+b)</b>	<b>119.37</b>
3	<b>Means of Finance</b>	
i)	Beneficiary Contribution	29.84
ii)	Grant from Coir Board	89.53
	<b>Total</b>	<b>119.37</b>
4	Annual Income	270.11
5	Net Profit	29.63
6	BEP	32.92
7	IRR	45.00



## Project Details

### a) Land

SL No	Description	Qty.	Unit	Rate Rs. (Lakhs)	Amount Rs. (Lakhs)
A	Land				
1	Cost of Land				Existing
2.	Site Cleaning and development				1.00

### b) Building

SL.No	Description	Qty.	Unit	Rate Rs. (Lakhs)	Amount Rs. (Lakhs)
1	Building for Needled felt				15.00
	Sub Total				<b>15.00</b>

### c) Plant and Machinery

SL.No	Description	Quantity	Rate	Amount in Lakhs
1	Non woven coir needle felt machine, coir felt width- 2.0 meter width, production output 2.5-3 meters/ minute and density 800-1200 grams per square meter, production capacity 1800 to 2000 square meter per day per shift of 8 hours, power required 35. H.p .	1	40 Lakhs	40.00
2	Machinery for Garden Article			30.00
	• Willowing machine			
	• Sheeting Machine			
	• Latex Compound Unit			
	• Air Compressor with spray gun			
	• Moulds			
	• Hydraulic press of 40"x40			
3	Coir Compost			5.00
	• Autoclave 100 Lr. Capacity			

	• Hot Air Oven			
	• Incubator			
	• Rotary Screener			
	• Sieve			
	• Chemical Balance			
	• Refrigerator			
	• Laboratory, testing etc.			
	• Water Pump & Hose			
Total cost for Plant and Machinery: Rs.75.00 Lakhs				

**d) Miscellaneous Fixed Assets**

SL No	Description	Qty.	Unit	Rate Rs. (Lakhs)	Amount Rs. (Lakhs)
1	Furniture		LS		0.25
	Total				0.25
Total Cost for Miscellaneous Fixed Assets: Rs.0.25 Lakhs					

**e) Preliminary Expenses**

SL No	Description	Qty.	Unit	Rate Rs. (Lakhs)	Amount Rs. (Lakhs)
1	Preliminary Expenses (DSR, DPR, etc)	LS	LS		0.50
	Total				0.50
Total Preliminary Expenses: <b>Rs.0.50 lakhs</b>					

**f) Pre-operative Expenses**

SL No	Description	Qty.	Unit	Rate Rs. (Lakhs)	Amount Rs. (Lakhs)
1	Establishment, Travel, etc	--	--	LS	0.50

	Total				0.50
Total Pre-operative Expenses: <b>Rs. 0.50 Lakhs</b>					

## G. Provision for Contingency

SL No	Description	Qty.	Unit	Rate Rs. (Lakhs)	Amount Rs. (Lakhs)
1	2 % of Building and 5 % on Machinery				4.05
	Total				4.05
Total Provision for contingency: <b>Rs. 4.05 Lakhs</b>					

## A. Working Capital

Sl.No.	Particulars	Period(days)	Amount (Rs.) (Lakhs.)
1	RM Stock	15	10
2	Good in Process	3	2
3	Finished Goods	2	1
4	credit sale	10	7
5	working expenses	30	2
<b>Total</b>			<b>22.88</b>

## I. Project Cost

Sr. No	Description	Rs. In Lakhs
i)	Land	Available
ii)	Land Development	1.00
iii)	Building	15.0
iv)	Plant and Machinery	75.00
v)	Miscellaneous Fixed Assets	0.25
vi)	Preliminary Expenses	0.50
vii)	Preoperative Expenses	0.50
vii)	Provision for contingency	4.05
viii)	Margin Money for working Capital(25% of Working Capital Requirement)	5.77
<b>Total Fixed Capital</b>		<b>102.07</b>

ix)	Working Capital Requirement	17.30
	<b>Total Project Cost</b>	<b>119.37</b>

#### J. Means of Finance:

Sr.No	Particulars	Amount in Lakhs	Amount in Lakhs
<b>i)</b>	<b>Fixed Capital</b>		
a	Beneficiary Contribution-25% of Fixed Capital		25.50
b	Grant from Coir Board- 75% of Fixed Capital		76.51
	Total i) (a+b)		<b>102.02</b>
<b>ii)</b>	<b>working Capital</b>		
	Working Capital Corpus(20% of Total Fixed Capital)	20.40	
a	Beneficiary Contribution-25% of Working Capital		4.29
b	Grant from Coir Board		12.87
	Total ii) (a+b)		<b>17.16</b>
	Total( i+ii)		<b>119.18</b>

In short, the means of finance are:

Sl.No	Particulars	Amount(Rs.Lakhs)
1	Beneficiary Contribution (incl. Working Capital)	29.79
2	Grant from Coir Board (incl. Working Capital)	89.38
	<b>Total</b>	<b>119.18</b>

#### K. Annual Sales Turnover

Sl.No.	Item	Quantity	Rate	Amount (Rs.)
1	Coir Needled felt-ton	468	0.34	159.12
2	Garden Article- cost is estimated as 125% of raw material cost for			95.63

	Garden Article			
3	Pith Compost in ton	384	0.04	15.36
<b>Total</b>				<b>270.11</b>

## L. Production Cost

### Raw Material

Sl.No.	Item	Quantity	Rate	Amount (Rs)(Lakhs)
1	Fiber-in ton	540	0.24	129.6
2	Coir needled felt	225	0.34	76.5
3	Pith in ton	384	.005	1.92
<b>Total</b>				<b>208.02</b>

### Utility

Sl.No.	Particulars	Amount (Rs.)
1	Coir needled felt machine-30 HP	4.20
2	Garden Article	0.60
3	Pith Compost	0.35
<b>Total</b>		<b>5.15</b>

### Man Power

<b>Man power Requirement</b>				
Sl.No.	Designation	Unit	Unit Cost	Annual Amount (Rs)
1	CFC Manager	1		1.8
2	Mechanic	1		1.8
3	Worker Details			
	Coir needled felt	4	0.075	3.6
	Garden Article	5	0.075	4.5
	Pith Compost	2	0.075	1.8
Sub Total				13.50
Employees benefit				2.03

Grand Total	13		15.53
-------------	----	--	-------

### Repairs, Maintenance and Insurance

SL No	Description	Qty.	Unit	Rate Rs. (Lakhs)	Amount Rs. (Lakhs)
1	Spares and Lubricants, etc		LS		1.0
	Total				1.0
Total Repairs, Maintenance and Insurance : Rs.1.0 Lakhs					

### Other Manufacturing Expenses

SL No	Description	Qty.	Unit	Rate Rs. (Lakhs)	Amount Rs. (Lakhs)
1	Other Manufacturing Expenses				1.0
	Total				1.0
Total -1.0 Lakhs					

### Administrative Overheads

SL No	Description	Qty.	Unit	Rate Rs. (Lakhs)	Amount Rs. (Lakhs)
1	Administrative Overheads			LS	.5
	Total				.5
Total Administrative Overheads-.5 Lakhs					

### Marketing Overheads

SL No	Description	Qty.	Unit	Rate Rs. (Lakhs)	Amount Rs. (Lakhs)
1	Marketing Overheads			LS	.5
	Total				.5
Total Marketing Overheads-.5 Lakhs					



## M. Project Profitability Statement

( Amount in Lakhs)

Sl.No	Particulars	Ist Yr	II nd Yr	IIIrd Yr	Ivth Yr	Vth Yr
1	No. of working Days	300	300	300	300	300
2	No. of shifts	1	1	1	1	1
3	Installed Capacity	60%	65%	70%	75%	80%
4	Annual Income	270.11	324.13	378.15	432.17	486.19
<b>B.</b>	<b>Cost of Production</b>					
1	Raw Materials	208.02	249.62	291.23	332.83	374.44
2	Salaries & Wages	15.53	18.63	21.74	24.84	27.95
3	Utility	5.15	5.67	6.18	6.70	7.21
4	Repair & Maintenance	1.00	1.10	1.20	1.30	1.40
5	Other expenses	1.00	1.10	1.20	1.30	1.40
6	Depreciation	8.28	7.49	6.77	6.13	5.55
7	Preliminary Expenses Written off	0.51	0.51	0.51	0.51	0.51
	Total	239.48	284.11	328.82	373.60	418.44
	Gross Profit	30.63	40.02	49.33	58.57	67.74
<b>C.</b>	<b>Administration &amp; Sales Expenses</b>					
1	Selling & Administrative expenses	1.00	1.10	1.20	1.30	1.40
	Profit before Int & Tax	29.63	38.92	48.13	57.27	66.34
D	Net Profit	29.63	38.92	48.13	57.27	66.34
E	Depreciation	8.28	7.49	6.77	6.13	5.55
F	Preliminary Expenses Written off	0.51	0.51	0.51	0.51	0.51
D	Annual Cash Accrual	38.41	46.36	54.90	63.40	71.86

## N. Cash Flow Statement

(Amount in Lakhs)

	Source of Fund	Ist Yr.	IIInd Yr.	IIIrd Yr.	IVth Yr.	Vth Yr.
1	Promoters' capital	29.84				
2	Grant	89.53				
3	Depreciation	8.28	7.49	6.77	6.13	5.55
4	Preliminary Expenses written	0.51	0.51	0.51	0.51	0.51
5	Profit before Int & Tax	29.63	38.92	48.13	57.27	66.34
	<b>Total</b>	<b>157.78</b>	<b>46.91</b>	<b>55.40</b>	<b>63.90</b>	<b>72.40</b>
<b>B.</b>	<b>Application of Funds</b>					
1	Capital Expenditure	91.25				
2	Pre-operative expenses	5.05				
3	Increase in W. Capital	23.07	2.31	4.61	6.92	9.23
	<b>Total</b>	<b>119.37</b>	<b>2.31</b>	<b>4.61</b>	<b>6.92</b>	<b>9.23</b>
	Opening Balance	0.00	38.41	83.01	133.80	190.78
	Surplus (A-B)	38.41	44.60	50.79	56.98	63.17
	Closing Balance	38.41	83.01	133.80	190.78	253.95

**O. Projected Balance Sheet****(Amount in Lakhs)**

Sl.No.	Liabilities	Ist Yr	II nd Yr	IIIrd Yr	Ivth Yr	Vth Yr
1	Promoters' Capital	29.84	29.84	29.84	29.84	29.84
2	Grant	89.53	89.53	89.53	89.53	89.53
3	Working Capital Loan	0.00	0.00	0.00	0.00	0.00
4	Reserve & Surplus	29.63	68.55	116.67	173.94	240.29
	<b>Total</b>	149.00	187.92	236.04	293.31	359.66
<b>Assets</b>						
Sl.No.	Assets					
1	Land Development & Building	16.00	16.00	16.00	16.00	16.00
2	Machinery	75.25	75.25	75.25	75.25	75.25
2	Depreciation	8.28	15.76	22.53	28.66	34.21
3	Net Block	82.98	75.49	68.72	62.59	57.04
4	Current Assets-cash	23.07	25.38	29.99	36.91	46.14
6	Preliminary Expenses Written Off	4.55	4.04	3.54	3.03	2.53
5	Cash in hand & bank	38.41	83.01	133.80	190.78	253.95
	<b>Total</b>	149.00	187.92	236.04	293.31	359.66

**I. Break Even Point**

(Amount in Lakhs)

<b>Break Even Analysis (Based on 1st Year)</b>		
<b>A.</b>	<b>Variable cost</b>	
1	Raw Material	208.02
2	Power	5.15
3	Administrative expenses	1.00
		<b>214.17</b>
<b>B</b>	<b>Semi Variable and fixed cost</b>	
1	Salary & wages	15.53
2	other Expenses	1.00
3	Repair and maintenance	1.00
4	Depreciation	8.28
5	Preliminary Expenses Written Off	0.51
		<b>26.31</b>
	Annual Income	270.11
	Variable cost	214.17
	SP-VC	<b>55.94</b>
	Breakeven point as a percentage of installed capacity	32.92%

**J Depreciation Amount**

	<b>Building (5%)</b>	<b>Machinery (10%) &amp; Miscellaneous Fixed Asset(10%)</b>	
	15.0	75.3	90.3
<b>Year 1</b>	<b>0.8</b>	<b>7.5</b>	<b>8.3</b>
	14.3	67.7	82.0
<b>Year 2</b>	<b>0.7</b>	<b>6.8</b>	<b>7.5</b>
	13.5	61.0	74.5
<b>Year 3</b>	<b>0.7</b>	<b>6.1</b>	<b>6.8</b>
	12.9	54.9	67.7
<b>Year 4</b>	<b>0.6</b>	<b>5.5</b>	<b>6.1</b>
	12.2	49.4	61.6
<b>Year 5</b>	<b>0.6</b>	<b>4.9</b>	<b>5.5</b>

## **CHAPTER 15 : PROPOSED IMPLEMENTATION FRAMEWORK**

The project will be implemented in line with the cluster norms and regulations stipulated by the Nodal Agency, i.e., Coir Board with the support of a Technical Agency and will be implemented through Field level agency. In line with this framework Coir Board has entrusted the responsibilities of Technical Agency –TA to Entrepreneurship Development Institute of India and they in turn find out Grama Seva Bhavan as Implementing Agency. While each of these agencies have prescribed norms for fulfilling their responsibility with a view to implement it through the coir workers of the cluster location a Special Purpose Vehicle – SPV will be formed and the participation of all stakeholders will be ensured.

### **15.1 Role of the Implementing Agency – Grama Seva Bhavan:**

Recruit a full-time CDE in order to ensure efficient implementation of the project;

1. The IA would identify and arrange suitable land for the project whose book value may be shown as their contribution towards the project;
2. Implement various interventions as outlined in the approved DPR;
3. Undertake procurement and appointment of contractors, when required, in a fair and transparent manner;
4. The IA will enter into an agreement with the Nodal Agency for timely completion on cluster intervention and proper utilization of Government Grants;
5. Operation & Maintenance (O&M) of assets created under the project by way of user-fee based model;
6. Responsible for furnishing Utilization Certificates (UCs) and regular Progress Reports to Nodal Agency in the prescribed formats.

The IA shall endeavor to increase participation of various other cluster stakeholders and institutions by forming a Cluster Advisory Group, preferably headed by the District Magistrate and with representation from PRIs, traditional industry enterprises, support service institutions, banks, etc. with the objective of fostering increased level of involvement of various cluster stakeholders and strengthening the implementation of the project.

## **15.2 Details of Strategic Partner and Other Project Stakeholders**

### **Strategic Partners:**

1. Coir Board, Cochin
2. Grama Seva Bhavan-Trivandrum
3. Desabandhu Mahila Samajam, Trivandrum
4. Entrepreneurship Development Institute of India

### **Project Stakeholders:**

- a) Machinery Suppliers
- b) Kerala State Co-operative Coir Marketing Federation (Coirfed)
- c) Commercial banks and micro finance institutions
- d) National Bank for Agriculture and Rural Development
- e) Small Industries Development Board of India, Cochin
- f) R&D, Testing and Training Institutions
- g) Central Coir Research Institute at Kalavoor
- h) National Coir Training and Design Centre at Alleppey
- i) Central Institute of Coir Technology, Bangalore
- j) MSME-DI in Thrissur.

## **15.3 Structure of the SPV**

In Thiruvananthapuram the proposed SPV will function in close guidance of Grama Seva Bhavan for grounding the schemes and also to enjoy the benefits as per the advice of EDI under the prescribed norms of Coir Board. The SPV will be the integral part of the project and that should represent all stakeholders, especially the entrepreneurs, as they are the primary stakeholders. The SPV has registered under the Travancore-Cochin Literacy, Scientific and Charitable Societies Act XII of 1955 with following members:

Sl. No	Name	Age	Address	Proposed Position	Signature
1	Thirupuram Gopan	50	Visash Kanchampazhinji P.o Thirupuram Neyyattinkara Thiruvananthapuram	President	S/d
2	P.N Narayana Pillai	64	Sree Lekshmi Thirupuram P.O Neyyattinkara Thiruvananthapuram	Vice President	S/d
3	L.Mohana Kumary	47	Bhangi Veedu Kuruthencodu P.O Kattakada	Secretary	S/d
4	S. R Susha	44	Nandanam Iruvaikonam Mulluivila P.O Neyyattinkara Thiruvananthapuram	Treasurer	S/d
5	S Saseendrakumar y	48	Pulluvila Puthen Veedu Ampalathinkala P.O Kattakada	Executive Committee Member	S/d
6	Vishnu S Nair	28	Sathi Bhavan Kuruthencodu P.O Kattakada	Executive Committee Member	S/d
7	Geeta. S	35	Melathil Vilakam Arumanoor Poovar P.O Thiruvananthapuram	Executive Committee Member	S/d
8	Anitha Kumari S	48	Makayiram Mangalakkal P.O Kattakada	Executive Committee Member	S/d
9	R Raveendran Nair	69	Mohanam, PichiVilakam, Thirupuram (PO)	Executive Committee Member	S/d

#### **15.4 Composition of the SPV with details of roles and responsibilities of each partners/ shareholders**

##### **Membership of the SPV:**

- a) Any person belonging to Neyyattinkara & Kattakada Taluks of Thiruvananthapuram District who working in the Coir Sector shall be eligible for the membership.
- b) 25% of the Total Membership of the Society be a Sympathiers.
- c) The Membership fee will be Rs. 1000/-

##### **Executive Committee and Board of Directors:**

##### **Board of Directors**

The Board of Directors shall have 9 members will be elected from the General Body Meeting . The period of the Board of Directors shall be 3 years from the date of assumption of the charge.

##### **Officer Bearers**

The Office Bearers of the Society its will be President , Vice President, Secretary and Treasurer.



## **Rights and Duties of Office Bearers**

### **President:**

The President shall preside over all the meeting of the Society. Give direction to the office bearer and members of the Society for better functioning of the same. Give overall supervision and other matters decided by the Board of Directors. All the powers to run the Society, which are not delegated to other office bearers will rest with President.

## CHAPTER 16: EXPECTED IMPACT

Once the Common Facility Centres are established, it will cause for a massive change in the area as the socio economic status of the coir workers and entrepreneurs will be improved. It will provide scope and potential to the existing players. As the cluster proposes for producing value added products there will be a need for using another layer of technology. Use of technology will result into production of quality products and substantial enhancement in income. As such the cluster will be engaged by more technology providers and buyers.

The vibrancy of the cluster will attract more young hands into the coir sector and this will be helpful to address unemployment problems of the location. As there is provision to make quality fibre by enhancing the ratio of existing de-husking, there will be scope to manufacture pith compost/manure as well. Production of Mats and Mattings will attract more buyers to the cluster which will create more business in the cluster. Subsequently the cluster can start direct export from the cluster, than the domestic marketing.

Production of Needle Felt will make a massive change in the coir sector. Mechanization, modernization and product diversifications are the growth triggering factors of the cluster. By establishing a needle felt unit supported by manufacturing of garden articles will be a milestone in the history of coir in Thiruvananthapuram.

- The turnover of the cluster will be increased from Rs. 1.0 crore to Rs.5.00 crores
- Husk utilization will be increased to additional (20%) from existing 40-50%
- Employment will be increased from present 2000 to 3000
- Potential to produce more than 30 garden articles from the cluster.
- The cluster will give its presence in the export market
- Overall empowerment in the social and economic front.