

Pollachi coir Cluster (SFURTI)
Minutes of Fourth Working Committee Meeting
Venue: CFC Office, Pollachi, Date:16-08-2019 at 03.00 PM

Participants:

1. Mr. M.Krishna, Regional Officer, Coir Board, Pollachi
2. Mr.C.Krishna kumar, Chief Manager, Canara Bank, Pollachi Branch
3. Mr. M. Suresh Kumar, Regional Office, Pollachi
4. Mr. R. Parthiban , Project Officer ,ITCOT (TA Representative)
5. MR. A.Sivasalopathy, IA, Eco Coir Cluster India Private limited
6. Mr. G. Venketupathy, Director , Eco Coir Cluster India Private limited
7. Mr S. Gopu, Director , Eco Coir Cluster India Private limited
8. Mr.J.Athithya, Director , Eco Coir Cluster India Private limited
9. Mr.P.Vijayakumar, Director , Eco Coir Cluster India Private limited
10. Mr.P.Jayaramachandran, SPV Member, Eco Coir Cluster India Private limited
11. Mr.N.Purusothaman, SPV Member, Eco Coir Cluster India Private limited
12. Mr.V.Kanagaraj, SPV Member, Eco Coir Cluster India Private limited
13. Mr.M.Palanivel ,SPV Member, Eco Coir Cluster India Private limited
14. Mr. A.Arun Prasath , Deputy CDE , Eco Coir Cluster India Private limited

The meeting was conveyed by M/s Eco Coir Cluster India Private Limited, the Implementing Agency of Pollachi Coir Cluster.

After the introduction of the members, Mr A Sivasalopathy, Director Eco Coir Cluster India Private Limited, the Convenor of the Implementing Agency, welcomed the gathering.

1. Present status of the Pollachi Coir Cluster development under SFURTI

Mr A Sivasalopathy, Director Eco Coir Cluster India Private Limited and the Convenor of the Implementing Agency explained that the construction of the CFC is complete and the installation of the PVC coir Tufting machinery along with allied machineries and the 4 numbers of the Fully Automatic Power looms have also been completed.

The Financial Status of the CFC was also explained and the supporting statements and bank statements were given to the Committee by the IA. The Regional Officer Coir Board mentioned that the SI and IA costs should be maintained separately and there should not be any drawings from the SI account and the IA inter changing and if any the same may be brought to order soon.

1. M.Krishna (RO, Pollachi) 2.C.Krishnakumar,
Chief Manager, Canara Bank Pollachi

4. R. Parthiban (TA)

5. A.Sivasalopathy (IA)

3..M.Suresh Kumar,(ESO)

6. G. Venketupathy(Director)

7. S. Gopu (Director)

8. Mr.J.Athithya, (Director)

9. P.Vijayakumar (Director)

10.P.Jayaramachandran
(SPV member)

11. N.Purusothaman
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(Deputy CDE)

2. Soft Intervention activities and the SI cost utilization.

The IA provided the list of the SI activities completed and the proposed SI initiatives as per the attachment. It was suggested by Sri Suresh ESO Coir Board that a training for, the coir workers should be undertaken at the CFC level by purchasing Electronic Ratt with the assistance from the Coir Board.

3. Approval for the release of the Working Capital

The IA has informed that the total Working capital earmarked in the DPR is Rs.150.00 Lakhs, of which SFURTI Grant is Rs.95.00 Lakhs and SPV Contribution is Rs.55.00 Lakhs.

The IA has informed that the trial run of machineries has been completed and the commercial production has to be commenced and hence the release of allocated working capital may be effected immediately to carry out the commercial operations. The requirement of working capital for single shift operations have been worked out to Rs.92.63 lakhs and that of double shift operations to Rs.185.27 lakhs. The IA informed that the process of Coir Tufting in detail and that the thermic fluid heater has to start at least 2 hours in advance of the starting of the PVC Tufting machine so as to achieve the optimum temperature of 180 degrees Celsius. And also the circulation pump and the related process has to be continued even after the stoppage of the tufting process so as to avoid the wastage of the thermic fluid due to overflowing and the process would continue till the temperature cools down to 60 degree Celsius. This process would require about 4 hours. Therefore, the IA explained that to achieve optimum efficiency and to save costs the Tufting machine should be run for at least 20 hours at a stretch. Moreover, most of the buyers require at least 30days credit. Also the IA explained that the cost of coir yarn is only about one third of the cost of other raw materials namely PVC resin, DOP oil etc. Based on the above facts the IA tabled the workings of working capital requirement before the committee and requested to release the Rs.150 lakhs towards working capital for Pollachi coir cluster.

The Regional Officer invited the Chief Manager of the Canara Bank to initiate deliberation on release pattern and operation of working capital fund provided under the SFRUTI scheme to the cluster as per the DPR.

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Initiating the discussion the Chief Manager said that a separate account to be opened by the SPV for working capital account exclusively and this will be operated similar to that of cash credit account to business enterprises and a format for submission of required details would be made available by the bank for to the SPV, upon which the bank shall workout the modalities for operation of the working capital fund, after duly working the cycle time for releasing the amount with appropriate intervals etc, It was also agreed that the bank will monitor the same.

The committee agreed with the points clarified by the banker member and based on the final outcome of the bank the release of working capital can be affected accordingly.

The Regional Officer suggested the Chief Manager of the Canara Bank to explore the possibility of extending additional Cash Credit facility to Cluster as per the banking norms as the tufting is a very capital intensive process and the Chief Manager has agreed to initiate the positive action on it by taking up the matter with the superior authorities of the Bank.

The TA has informed that a separate cash credit bank account has to be opened and the working capital has to be channelled through the CC account, which needs to be monitored by the banker. The new CC account has to be operated by SPV/IA members, who are responsible for the working capital utilization and management.

The NAFO has strictly informed that the working capital funds have to be utilized only for the said purpose and the account signatories are responsible for the proper utilization of the CC account. The IA is instructed to submit the CC account with in the stipulated dates to the Bank.

The Committee recommended the release of Rs.150 lakhs towards working capital from the HI Account to the Cluster account on the basis of the final assessment furnished by the bank working capital.

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4. Status of Swachh Bharath activities and the action plan

The IA detailed the various activities undertaken under the Swachh Bharath scheme notably the planting of the 1267 tree saplings which was appreciated by the Committee.

The IA stated that there is no scope for establishing the Miyawaki forest inside the CFC premises as the entire land has been fully utilised for the establishment of the CFC and requested that the usage of SPV members land for this purpose may be permitted to which the Committee agreed.

The meeting concluded with the vote of thanks by Sri R.Parthiban, Project Officer, ITCOT, who thanked all the participants for their presence and valuable contribution in the working Committee meeting.

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