

**No. 5/5/2007-Plant C**  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce

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New Delhi dated the 10<sup>th</sup> August, 2007

To

The Chairman  
Rubber Board  
Kottayam

Sub: Implementation of Rubber Board Plan Scheme viz. Processing, Quality, Upgradation and Product Development of Rubber during the 11<sup>th</sup> Five Year Plan (2007-2012) – regarding.

Sir,

I am directed to refer to Rubber Board's EFC proposal on the above mentioned subject and to convey the approval of Government of India to the implementation of Plan scheme viz. Processing, Quality, Upgradation and Product Development of Rubber by the Rubber Board during the 11<sup>th</sup> Five Year Plan (2007-2012) with an outlay of Rs 45.00 crore (Rupees forty five crore only). This is subject to the condition that the subsidy component for RPS and Co-operative sector should not exceed 50%.

2. Details of financial assistance under different activities of the scheme is enclosed. For further details, EFC Memo may please be referred to.

3. The Board is advised to furnish the status of the implementation of the scheme to this Department every quarter.

4. This issues with the concurrence of Finance Division vide their Dy. No.2236 /FD/2007 dated 8.8.2007.

Yours faithfully,

(Vijay Kapoor)  
Under Secretary to the Government of India  
Tel. 2306 2618

Encl.: As above.

Copy to

1. Planning Commission, {Shri Shatrughan Lal, Joint Adviser(PAMD)}, Yojana Bhavan, New Delhi.
2. Planning Commission, (Smt Sutapa Majumdar, Director, IE Division ), Yojana Bhavan, New Delhi.

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3. Planning Commission, {Smt Renu S. Parmar, Director(Agri)}, Yojana Bhavan, New Delhi.
4. Ministry of Finance, Deptt. of Expenditure, (Ms. Parama Sen, Deputy Secretary, Plan-Finance-II Division), North Block, New Delhi
2. PPS to C&IM
3. PS to MOS(C)
4. PPS to Commerce Secretary, Department of Commerce.
5. PPS to AS (Plantations), Department of Commerce.
6. Finance Division, Department of Commerce.
7. B&A Section, Department of Commerce

(Vijay Kapoor)  
Under Secretary to the Government of India

**PROCESSING, QUALITY UPGRADATION AND PRODUCT DEVELOPMENT**

<b>Sl No.</b>	<b>Name of Activity</b>	<b>Financial assistance under 11<sup>th</sup> plan</b>
1	<b><u>Technically Specified Rubber (TSR)</u></b>	Block rubber, latex concentrate and cream latex factories.
(a)	<b>Quality improvement, modernization (cost reduction and strengthening environmental protection systems.</b>	Expansion of the above factories..  <b>Note:</b> Like block rubber and latex, concentrate cream latex is also TSR since it is graded and marketed with technical specifications.  <u>Scale of assistance –</u> 25% for private sector 50% for Co-operative sector 50% for RPS sector.  Ceiling amount for private sector – Rs. 25 lakhs per factory.  Ceiling amount for RPS sector and Co-operative sectors proposed to be fixed by the Board.
(b)	<b>Strengthening RPS and Co-op. Sector Companies in processing activities.</b>	Grant to RPS sector companies who settled bank loan through One Time Settlement (OTS) for working capital.  Loan to RPS companies and Co-operatives to meet working capital requirements.
(c)	<b>Interest subsidy to RPS sector companies on loans availed from commercial banks.</b>	5% interest subsidy.
2	<b>Rubberwood</b>	<u>Scale of assistance –</u> 25% for private sector
(a)	Quality improvement, value addition and waste utilization and management.	Ceiling amount for private sector – Rs. 25 lakhs per factory.  <b>Note:</b> Separate package proposed for one company in RPS sector and one company promoted by the Board.  There is no factory in the Co-op. sector.
(b)	<b>Activities under Cluster and FSC</b>	Scale of financial assistance to cluster

	<p><b>Certification –</b></p> <p><b>Cluster</b></p>	<p>and cluster members –  Cluster : 25%  Cluster member - private : 25%  Cluster member - RPS Sector : 50%  Cluster member – Company promoted by the Rubber Board : 50%</p> <p><u>Ceiling amount –</u>  For cluster company : Rs. 15 lakhs  For cluster member – private – Rs. 10 lakhs.</p> <p>RPS Sector Company and Company promoted by the Board to be fixed by the Board.</p>
(c)	<p><b>FSC certification –</b>  Financial assistance to RPSs and rubberwood processing units.</p>	<p><u>Scale of assistance –</u>  RPSs - 50%  Rubberwood processors – private – 25%  Rubberwood processors – RPS sector – 50%  Company promoted by the Board – 50%</p> <p>Ceiling amount for private sector – Rs. 2 lakhs per factory.</p> <p>Ceiling amount for others to be fixed by the Board.</p>
(d)	<p><b>Support to Indiwood and Metrowood –</b></p> <p><u>Metrowood –</u>  <b>Company promoted by the Board in the RPS sector.</b></p>	<p>5% interest subsidy on loans availed from commercial banks.</p> <p>Grant to meet working capital requirements.</p> <p>Provide machinery, equipment, production facilities and production aids.</p>
	<p><u>Indiwood –</u>  <b>Company promoted by the Board for demonstration, training and technical support.</b></p>	
(e)	<p><b>Modernisation of timber harvesting techniques</b></p>	<p>Popularisation of chain saws among RPSs, rubberwood processors and logging contractors.</p> <p><u>Scale of assistance –</u>  For RPSs - 50%  Rubberwood processors in private sector and logging contractors – 25 %  For the RPS Sector and the company promoted by the Board – 50%.</p>

		<p><u>Ceiling amount –</u> For private rubber wood processing factories and logging contractors – Rs. 1 lakh per factory or per contractor.</p> <p>Ceiling amount for others to be fixed by the Board.</p>
f	<p><b>Heat and power generation from waste rubberwood to reduce Green House Gas emissions -</b></p> <p>Financial assistance to rubber and rubberwood processing factories.</p>	<p><u>Scale of assistance –</u> For private sector - 25 % Co-operative sector – 50 % RPS sector - 50%</p> <p><u>Ceiling amount –</u> For private sector - Rs. 15 lakhs per processor.</p> <p>Ceiling amount for others to be fixed by the Board.</p>