

**GOVERNMENT OF KERALA****Abstract**

Industries Department – Coir Development – Operational Guidelines and Instructions for the Procurement of Coir Fibre through Agency / Consortium by the Fibre Procurement Committee – Approved – Orders issued.

INDUSTRIES (E) DEPARTMENT

G.O.(Rt)No.1517/2025/ID Dated,Thiruvananthapuram, 18-12-2025

Read 1 G.O (Rt) No 1410/2025/ID dated 10/11/2025

2 Letter No DCD/468/2025-CP7 dated 24/11/2025 from the Director of Coir Development

ORDER

As a solution to the issue of several coir spinning units becoming non-functional due to the shortage of coir fibre, the primary raw material in the coir industry, 'the Material Bank for Coir Fibre scheme' was introduced; and as per the conditions specified in its guidelines, the Fibre Procurement Committee was constituted as per Government Order read 1st paper above .

2. As per the letter read 2nd above, the Director of Coir Development has submitted the draft Operational Guidelines and Instructions for the Procurement of Coir Fibre through Agency / Consortium by the Fibre Procurement Committee for approval.

3. Government have examined the matter in detail and are pleased to approve the Operational Guidelines and Instructions for the Procurement of Coir Fibre through Agency / Consortium by the Fibre Procurement Committee, as appended to this order and orders issued accordingly.

(By order of the Governor)
A P M MOHAMMED HANISH
PRINCIPAL SECRETARY

To:

Director of Coir Development , Thiruvananthapuram

Director, National Coir Research and management Institute, Thiruvananthapuram

Managing Director , Kerala State Coir Corporation, Alappuzha

Managing Director , Coirfed, Alappuzha

Principal Accountant General (Audit) , Kerala , Thiruvananthapuram

Accountant General (A&E) , Kerala , Thiruvananthapuram

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Signed by

Vidya Raj P

Date: 18-12-2025 16:40:47
Section Officer

Operational Guidelines and Instructions for the Procurement of Coir Fibre through Agency/Consortium by the Fibre Procurement Committee.

I. Constitution of the Fibre Procurement Committee:

A Fibre Procurement Committee shall be constituted under the Chairmanship of the Principal Secretary/Secretary (Coir). The Director of Coir Development shall serve as the Fund Manager.

The Committee shall include the following members:

- Managing Director, Coirfed
- Managing Director, Kerala State Coir Corporation
- Director, National Coir Research & Management Institute (NCRMI)

II. Objective:

The primary objective of the Committee is to oversee the procurement of coir fibre required for:

- Coir Co-operative Societies
- Public Sector Undertakings (PSUs) in the Coir sector.

III. Fibre Requirement Reporting:

The Managing Director, Coirfed, and the Managing Director, Kerala State Coir Corporation shall submit a monthly report on fibre requirements to the Committee. This report must be furnished on or before the 10th of every month.

IV. Procurement Planning Meetings:

The Committee shall convene minimum two meeting annually, in

- the first week of April, and
- the first week of October,

To assess and finalize the quantity of fibre to be procured for the upcoming cycle, Coirfed shall do the tender process based on the requirement of fibre assessed by the Fibre Procurement Committee.

Eligibility criteria for participating in the Coir fibre purchase tender:

- i. The bidder should be a coir yarn producing Society/Entrepreneur/PSU, Coir Fibre Supplier, and should have at least 3 years' experience in coir fibre marketing/ production sector.
- ii. The bidder should be capable to supply a minimum quantity of 600 quintals of material per month.
- iii. The bidder should not be a convict or in the list of accused in a charge sheet in criminal cases filed before any court, including cases under the Prevention of Corruption Act. An affidavit duly attested by an appropriate authority should be submitted to this effect.

V. Guidelines for fixing Coir fibre parameters:

(i) Retted Coir fibre/White fibre:-

Also called White fibre is extracted from green natural coconut husks after retting in flowing, circulating or changed water for a period of minimum three months. However, if the fibre is made up of pre-crushed husk the retting period could be reduced suitably. The fibre shall be free from moisture & impurities.

Grade	Colour	Maximum impurities percent by weight
1	Natural bright	2.0
2	Natural light brown and /or light grey	3.0
3	Natural brown and /or grey	5.0
4	Natural dark brown and /or dark grey	7.0

(ii) Brown fibre:-

Brown fibre is mechanically extracted from the dry husks of matured and ripe coconut after soaking these husks in water. The fibre shall be free from moisture and impurities.

(iii) Length of fibre:-

The mechanically extracted coir fibre shall be grouped based on the length.

(iv) Group length (mm):-

Long fibres Above 200

Medium fibres Above 150 and upto 200

Short fibres Above 50 and upto 150

The length of the fibre shall be designated as follows:

(v) Designation length (cm) :-

'Long' Over 15

'Medium' Over 10 and upto 15

'Short' Over 5 and upto 10

'Bit' Upto and including 5

Percentage by mass of Long 'medium' and 'Short' fibres and impurities in Bristle coir fibre				
Grade	Long fibres min.	Medium fibres max.	Short fibres Max.	Impurities Max.
Bristle fibre	50	30	20	4
Grade I				
Grade II	40	25	35	5

Percentage by mass of 'Long' 'Medium' and 'Short' fibres and impurities in Mattress coir fibre			
Grade	Long medium fibres min.	Short fibres	Impurities Max.
Mattress fibre	110	90	20

Percentage by mass of Long 'medium' and 'Short' fibres and impurities in Decorticated coir fibre				
Grade	Long fibres Min.	Medium fibres max.	Short fibres max.	Impurities Max.
Grade I	20	30	50	7
Grade II	20	25	55	12

VI. Additional Guidelines for Procurement under the Coir Fibre Bank Scheme.

i) Tender Quantity:

The procurement of coir fibre shall be undertaken twice a year through a tender process. The volume of fibre to be procured in each cycle will be determined based on the recommendations of the Purchase Committee, taking into account the availability of the fund in the Joint Account and the estimated requirement for the year.

ii) Lead Time for Supply:

- The initial despatch from the point of origin must occur within **five (5) days** from the date of the Purchase Order.
- The remaining quantity should be despatched in subsequent batches at regular intervals, each not exceeding **five (5) days**.
- The entire contracted quantity must be fully supplied within **sixty (60) days** from the date of receipt of the Purchase Order.
- No variation in the contracted quantity or price will be permitted during the validity of the Purchase Order.

iii) Penalty for Delay in Supply:

A penalty of **0.5%** of the total value of the Purchase Order shall be imposed for **every seven (7) days of delay** beyond the final date specified in the Purchase Order.

(iv) Tender Submission Fee

The tender submission fee shall be as prescribed in the tender document and is non-refundable.

(v) Earnest Money Deposit (EMD)

1. Amount & Mode of Payment:

Bidders shall furnish an Earnest Money Deposit (EMD) of INR _____ (insert amount), either as:

- A **cash deposit**, or
- An **Unconditional and Irrevocable Bank Guarantee** for an equivalent amount.

2. Conversion to Security Deposit:

For the successful bidder(s), the EMD shall be converted into a Security Deposit upon awarding of the tender. In the case of a Bank Guarantee, it will be retained until the successful completion of the contracted quantity and returned thereafter.

3. Refund to Unsuccessful Bidders:

The EMD submitted by unsuccessful bidders shall be refunded within 10 working days (excluding national holidays) from the date of finalisation of the tender by the Tender Committee.

4. Exemption for MSMEs :

Bidders who are registered as Micro, Small and Medium Enterprises (MSME) with the Government of India are exempted from remitting the EMD, provided they submit valid documentary proof of registration along with the tender.

However, if an MSME bidder becomes successful in the tendering process, they shall be required to submit a Security Deposit of INR _____ or an Unconditional Irrevocable Bank Guarantee of equivalent value, within the time stipulated in the award communication.

(vi) Option for re-tendering

During the period of supply, if the spot rate stated in the purchase order is less or more by 10% of the price accepted by the Fibre Procurement Committee, re-tendering will be done by the Committee.

(vii) Options for price quotes in the financial bid

Transportation of Coir fibre should include loading, unloading & any other cost in connection with the transportation including toll fee.

(viii) Payment terms

50% of the payment for each purchase order will be made through Letter of Credit from a Commercial/Scheduled Bank, based on the Inspection report including quality check by the agency delegated for quality assurance. Balance 50% of the payment will be made based on the inspection report after delivering at the destination.

(ix) Quality assurance

The vender should supply the fibre as per specification fixed in the tender norms and it will be confirmed by Coirfed with the support of NCRMI.

(x) Award of purchase contract

The entire tendered quantity will be awarded to the L1 bidder after finalizing the bidding process. If L1 bidder is not willing to supply entire quantity, remaining bidders, will be given opportunity to supply remaining quantity, provided they match the L1 bid. In case of inability of L1 to supply the award, the entire quantity will be awarded to remaining bidders at L1 rate.

xi) Tolerance, Penalty, Deduction, and Rejection

The following parameters shall be considered during the quality testing of coir fibre supplied under the Coir Fibre Bank scheme:

- **Length of coir fibre**
- **Percentage of baby fibre**
- **Moisture content**
- **Content of pith (as per specification chart)**

If the supplied fibre fails to meet the specified quality parameters, appropriate deductions will be applied to the supplier's payment.

- The maximum permissible moisture content in the fibre is ...%.
- Any lot containing fibre with moisture content exceeding...% will be rejected outright.

Fibre not conforming to the prescribed quality specifications and tolerance limits, as determined by quality assurance tests, shall be summarily rejected.

In the case of rejection:

- All transportation and loading costs for removing the rejected lots shall be borne by the supplier.
- If the supplier fails to remove the rejected lots within 15 days of intimation from Coirfed, a godown rent of INR ... per load per day will be charged for the next 15 days.
- Thereafter, if the rejected lots remain uncollected, a rent of INR.... per load per day will apply for up to 90 additional days.
- The rejected lots will remain at the dispatch premises entirely at the risk and cost of the supplier, and Coirfed will not be held liable for any loss or damage arising thereafter.

In the event of rejection of any lot:

- Coirfed shall issue a replacement request to the supplier within 48 hours.
- The supplier must ensure replacement of the rejected lot within 15 days from the date of receipt of the replacement request.
- If the supplier fails to lift the rejected lot within 120 days from the date of receipt of the rejection report, Coirfed shall have full liberty to dispose of the material in any manner deemed appropriate. No further claims shall be entertained from the supplier in such cases.
- In addition, if a supplier repeatedly delivers inferior quality coir fibre that falls outside the acceptable parameters specified in the Purchase Order on more than two occasions, such supplier shall be blacklisted for a period of two years from participating in any further tenders or procurement processes under the Coir Fibre Bank scheme.

xii) Risk Purchase

In the event of Coirfed terminating the contract, in whole or in part, due to poor performance or non-compliance by the Tenderer, Coirfed shall have the right to procure similar supplies from alternate sources in any manner deemed appropriate.

- The Tenderer shall be liable to Coirfed for any excess costs incurred in procuring such similar supplies.
- In cases of partial termination, the Tenderer shall be required to continue performing the remaining obligations of the contract not terminated, as per the terms and conditions of the original agreement.

(xiii) Arbitration

All disputes or differences whatsoever arising between the parties out of or relating to the supply of materials, meaning and operation or effect of this contract or the breach thereof shall be settled by arbitration, before a sole arbitrator to be appointed by the Coirfed in accordance with the provisions of the Arbitration & Conciliation Act 1996 and the venue of arbitration will be at Thiruvananthapuram and the Award made in pursuance thereof shall be binding to the parties.

(xiv) Legal Jurisdiction

In the event of any dispute arising out of or in connection with this contract, the parties may seek legal remedies exclusively through the competent Civil Courts at Thiruvananthapuram, in the State of Kerala, India.

No other Civil Court outside Thiruvananthapuram shall have jurisdiction to entertain such disputes.

(xv) Signatories to Joint Payment and Collection Accounts

A Joint Account shall be maintained in a nationalized or scheduled bank, jointly operated by:

- The Fund Manager (Director of Coir Development), and
- The Managing Director, Kerala State Co-operative Coir Marketing Federation Ltd. (Coirfed).

This account will be used for:

- Transfer of funds for fibre procurement, and
- Collection of repayment from societies that purchase fibre through the Coir Fibre Bank.

VII. Tender Committee

A Tender Committee shall be constituted by the Director of Coir Development (DCD), with the following members:

1. General Manager, Coirfed
2. Deputy Registrar, DCD
3. Project Officer (Coir), Alappuzha
4. Finance Manager, Coirfed

The Tender Committee shall be responsible for:

- Technical evaluation of bids
- Final evaluation of tenders
- Ensuring timely processing of tendering activities
- Recommending bids based on the Procurement Committee's decisions to the Director of Coir Development.
- Payment to the vendors will be transferred based on the approval from Director of Coir Development.

VIII. Oversight Mechanism

To ensure transparency and effective monitoring of operations under the Coir Fibre Bank, an oversight mechanism shall be put in place.

The Project Officer (Coir) shall be responsible for submitting a monthly report to the Director of Coir Development (DCD) by the 10th of every month. The report shall include:

- The volume and price of coir fibre purchased by cooperative societies from Coirfed.
- The volume and price of coir yarn/products supplied by these societies to Coirfed.

The data shall be submitted in the prescribed format as issued by the Directorate of Coir Development.