

Banks go cold funding neera cos

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Uncertainties over the licenses issued to the coconut producer federations have thrown a spanner in the works of the neera processing federations and companies with banking and financial institutions raising doubts over the continued availability of neera, the main raw material.

"During the scrutiny of documents including the licenses issued to the federations, banks pick up the clause that the licenses have to be renewed every year and ask if there is a guarantee that they be renewed without fail," said B



● **Excise Minister K Babu sought to trash the demand for a five-year license saying even toddy shops get easy loans with their one-year licenses**

Padmanabhan, president of the Nenmara Coconut Producer Federation in Palakkad district. "Reports about the government freezing the processing of other applications for neera tapping licenses have also worked against us."

The Excise department has issued licenses on the condition that they are valid for only one year and they have to be renewed every year. He

said representatives of the federations met Chief Minister Oommen Chandy with the demand that the period of the licenses be increased to five years with a strict inspection system to ensure that there is no misuse. "However, we got no positive response," he said adding that the Excise Minister K Babu sought to trash the demand saying even toddy shops get easy loans.

Chairman of Palakkad Coconut Producer Company Vinod Kumar said each federation has to raise about ₹20 lakh to start production of neera, which the production companies process. "We got some funding from Kerala Financial Corporation as it's a government-run institution and the Coconut Development Board was firmly behind us," he said. "But the response has been negative when we approach commercial banks." He said if the government issued more licenses to the federations with a five-year period, they would be able to entertain trade enquiries for large quantities of neera and value-added products.