



## ABSTRACT

Textiles Industry – Setting up of "Research and Business Development Fund for Technical Textiles and Man Made Fibre" – Guidelines for implementation of the scheme – Approved – Orders– Issued.

---

### Handlooms, Handicrafts, Textiles and Khadi (C2) Department

G.O.(Ms) No.18

Dated:30.01.2025

குரோதி, தை 17

Thiruvalluvar Aandu 2056

Read:

1. G.O. (D) No.31, Handlooms, Handicrafts, Textiles and Khadi (C1) Department, dated 11.03.2024.
2. From the Director of Textiles letter Rc.No.979/2024/G1, dated 24.06.2024, 01.08.2024 and 11.11.2024.

### ORDER:

The Hon'ble Minister for Finance and Human Resource Management has made an announcement among the others during the Budget speech for the year 2024–2025 (Para No.153, Serial No.23) as detailed below:

"The Government will set up a dedicated "Research and Business Development Fund for Technical Textiles and Man Made Fibre' with a corpus of Rs.25 crore to provide grants to research units and private companies for new product development and research".

2. In the Government Order first read above, a committee under the Chairmanship of Commissioner of Textiles was constituted to frame the guidelines for special scheme in the spinning sector for Technological upgradation by providing interest subvention at 6 percent at an estimated cost of Rs.500 crore, over the next 10 years.

3. In the letter second read above, the Director of Textiles has stated that in order to set up the "Research and Business Development Fund" and sanction of funds from the proposed corpus Fund to provide grants to Research units and Private companies for the development of new products under Technical Textiles and Man Made Fibre segments of Textile Value chain, a detailed guidelines has to be framed with the assistances of stakeholders in the field of Technical Textiles and Man Made Fibre (MMF) and sent a draft guidelines to Government for approval. The major objectives are:-

i) To promote Production and market-driven Research in Technical Textiles and Man Made Fibres in collaboration with the industries.

ii) To promote the development of new products and processes in Technical Textiles and Man Made Fibre.

iii) To improve the Research and Business Development (R&D) activity in basic and applied research in all areas of Technical Textiles and Man Made Fibre.

iv) To envisage scaling up and commercializing the developed technology to bring innovative products and processes for the Production and Business Development of Technical Textiles and Man Made Fibre.

4. The Director of Textiles has therefore requested the Government to approve the draft Guidelines for setting up of Research and Business Development Fund for Technical Textiles and Man Made Fibre.

5. The Government after careful examination of the request of the Director of Textiles hereby approve the Guidelines for setting up of Research and Business Development Fund for Technical Textiles and Man Made Fibre.

6. The following New Head of Account has been opened under Demand No.17-03 for the Research and Business Development Fund for Technical Textiles and Man Made Fibre.

"2852 Industries – 08 Consumer Industries – 202 Textiles – State's Expenditure – AS Research and Business Development Fund for Technical Textiles and Man Made Fibre – 309 – Grants in Aid – 07 – Research".

(IFHRMS DPC : 2852-08-202-AS 30907)

7. The Director of Textiles is the Estimating, Reconciling and Controlling authority for the above New Head of Account.

8. This order issues with the concurrence of Finance Department vide its U.O.No.1906/Fin.(Ind)/2024, dated:30.01.2025.

(BY ORDER OF THE GOVERNOR)

V.AMUTHAVALLI  
SECRETARY TO GOVERNMENT

To:

The Director of Textiles, Chennai- 600 034.

The Principal Accountant General (AAD/F&A Cell/Audit-I/Audit-II & Finance BG-II/BC/Industries), Chennai -600 018.

The Pay and Accounts Officer (North), Chennai-600 001.

All Project Recommendation Committee (PRC) members and Project Approval Committee (PAC) members (through Director of Textiles).

Copy to:

The Special Personal Assistant to Hon'ble Minister (Finance & Environment and Climate Change), Chennai -600 009.

The Special Personal Assistant to Hon'ble Minister (Handlooms & Textiles), Chennai -600 009.

The Senior Private Secretary to Secretary to Government, Handlooms, Handicrafts, Textiles and Khadi Department, Chennai - 600 009.

Stock File/Spare Copy.

//Forwarded // by Order//

*92hombj22*  
Section Officer  
*LD. B*  
30/1/25

**ANNEXURE****G.O.(Ms) No.18, Handlooms, Handicrafts, Textiles And Khadi (C2) Department,****Dated 30.01.2025****GUIDELINES ON FINANCIAL ASSISTANCE FOR RESEARCH AND BUSINESS  
DEVELOPMENT PROJECTS IN THE FIELD OF TECHNICAL TEXTILES  
AND MAN MADE FIBRE****1. Background:**

Hon'ble Minister for Finance and Human Resource Management has made an announcement among the others during the Budget Speech for the year 2024–2025 is as detailed below.

"The Government will set up a dedicated "Research and Business Development Fund for Technical Textiles and Man Made Fibre" with a corpus of Rs.25 crore to provide grants to Research units and Private companies for new product Development and Research"

"புதிய பொருட்களை உருவாக்கவும், ஆராயவும் தனியார் நிறுவனங்களுக்கு மானியம் வழங்கும் விதமாக, 25 கோடி ரூபாய் மதிப்பீட்டில் தொழில்நுட்ப ஜவுளி மற்றும் செயற்கை இழை துறைக்கென ஒரு சிறப்பு ஆராய்ச்சி மற்றும் மேம்பாட்டு நிதியை இவ்வாறு அமைக்கும்."

The Government has highlighted the need to support Research and Business Development in Technical Textiles and Man Made Fibre to promote highly intensive employment in the Apparel Industry setting up a dedicated 'Research and Business Development Fund for Technical Textiles and Man Made Fibre' with a corpus of Rs.25 crore to provide grants to Research units and Private companies for new product Development and Research.

**2. Objectives of Scheme:**

The major objectives are

1. To promote Production and market-driven Research in Technical Textiles and Man Made Fibres in collaboration with the industries.

2. To promote the development of new products and processes in Technical Textiles and Man Made Fibre.
3. To improve the Research and Business Development (R&D) activity in basic and applied research in all areas of Technical Textiles and Man Made Fibre.
4. To envisage scaling up and commercialising the developed technology to bring innovative products and processes for the Production and Business Development of Technical Textiles and Man Made Fibre.

### **3. Mechanism for submission of Research Proposals from Research Bodies:**

1. A 'Research Body' is a Research Organisation directly under the control of the Ministry / Department of the Government of India or the Government of Tamil Nadu or Reputed academic Institution engaged in advanced research in the relevant field. Reputed Research agencies, including Textile Research Associations (TRAs), Universities, Research laboratories, Industry associations, Research institutions recognised by the Government in the State of Tamil Nadu and Individual Textile Industries in Tamil Nadu shall apply for Financial Assistance for the research and development projects in the field of Technical Textiles and Man Made Fibre. The 'Principal Investigator(s) (PIs)' shall be the applicants under the Research Body. Notably, 'Principal Investigator(s) (PIs)' should not be below the cadre of Scientist 'C' or Assistant Professor.
2. The Research Body may undertake the approved research activity independently or involve partners from Industry or other research bodies. In case of an Industry Partner or multiple Industry Partners, the Industry Partner must have its manufacturing facility in Tamil Nadu for a related product and must have adequate research infrastructure in India for undertaking research in the related field.
3. Individual Industry/Manufacturing organisations intended to do research and Business development projects shall partner with any research body (mentioned in clause 3.1) and submit the proposal. In the case of a single or several Industry Partners, the Industry Partner must have a manufacturing facility in Tamil Nadu for a related product to conduct research in the relevant field in Technical Textile and Man Made Fibre.

#### **4. Project Categories and Financial Assistance Provided:**

##### **4.1. Project Category:**

The projects undertaken by the Research Body are classified in the Category of Production and Business Development for Technical Textiles and Man Made Fibre.

##### **4.2. Financial Assistance:**

Funding will be provided to the Research Body only, and the Research Body conducting the particular research project is primarily responsible for all inter-partnership coordination, distribution of funds, monitoring of expenditure and reporting progress to the Government. The Research Body is also responsible for the final Desired Outcome in a time-bound manner for a maximum of two years.

1. The maximum percentage of research grants shall be ideally 50% (balance 50% being the industry share). For reasons to be recorded in writing the PAC may increase the research grant to 75% in select cases and up to 100% to the State Government owned research institutions including universities. However, the ceiling of Rs.1.00 Crore be ensured for all projects.
2. Examining the Applications, the Project Recommendation and Project Approval Committee may extend Assistance case-to-case basis, based on the nature and relevance of the research.

#### **5. Guidelines for Selection of Research & Business Development and Project Proposal**

1. The topics for the research proposal shall focus on the development of new cost-effective Technical Textiles and Man Made Fibre, enhancing the functional properties of existing Technical Textiles and Man Made Fibre products, developing eco-friendly sustainable technical textile and Man Made Fibre products, optimising the manufacturing process, recycling, reusing or safe disposal of the textile products utilised in the sectors of Technical Textiles and Man Made Fibre.
2. The Project proposal shall includes Technical Textiles and Man Made Fibre Production details along with market study for local and international businesses including details of the research institution, industry partners,

laboratory partners, name of the project, objectives, abstract, project methodology, duration, a project implementation plan with milestones and stages, the role of each partner, desired outcome, details of the costing, details of the available research, testing equipment's required, PERT progress chart and Socio-Economic benefits.

3. Priority shall be given to the translational projects. Projects which will result in IP or the projects will redress the practical issues faced by the industry.
4. Priority for industry-led research i.e. to solve specific issues faced by the industry will be given.
5. The research bodies shall obtain any internal clearances required to Proceed further.

## **6. Project Components**

The Eligible Project components include the following.

- 1. Capital Expenditure:** Expenses include the cost of machinery and instruments and business study documenting paperwork etc.
- 2. Salaries and Wages:** Salary and wages for personnel engaged in the project shall include only those engaged temporarily for the research activities and shall not include the salaries of the Principal or Associate investigator or any scientist or staff on regular employment of the Institution.
- 3. Consultancy:** Any expenditure on consultancy services, including the cost of testing in other laboratories etc. can be charged.
- 4. Consumables:** Cost of Raw materials and other consumable materials used for the project.
- 5. Overheads and Travelling Expenses:** The Expenditure in this head shall not exceed 10% of the eligible project cost.
- 6. Others:** Expenses towards other items would be admissible on merit.

The Project components and cost shall be appraised to the Project Recommendation Committee, with a clear recommendation for each proposed component and Assistance requested. The Project Recommendation Committee shall also recommend and specify the project's time frame, with milestones of deliverable details.

### **7. Procedure to avail funding for the Research and Business Development:**

1. The applicant will apply through the online portal (Single Window Portal).
2. The Assistant Director (Technical), Directorate of Textiles will scrutinize, consolidate and present the project before the Project Recommendation Committee (PRC).
3. The project will be approved by following 2 Tier mechanism through the Project Recommendation Committee and the Project Approval Committee.

#### **7.1. Project Recommendation Committee (PRC) :**

1. To evaluate the Research and development proposals under Technical Textiles, a Project Recommendation Committee consisting of the following members has been constituted.

1.	The Director, O/o. the Director of Textiles, Chennai.	Chairman
2.	Joint Director (Textiles) O/o. the Director of Textiles, Chennai.	Convenor
3.	Head of the Department, Department of Textile Technology, Anna University, Chennai	Member
4.	The Representative, Indian Institute of Technology – Madras, Chennai	Member
5.	The Representative, The South India Textile Research Association (SITRA) – Centre of Excellence (CoE), Coimbatore.	Member
6.	The Representative, PSG College of Technology, Centre of Excellence (CoE), Coimbatore	Member
7.	Experts on the Subject concerned (Experts depending on the proposal received)	Member

The above Project Recommendation Committee (PRC) will review and assess the proposals concerning various aspects.

- Fulfil the minimum basic eligibility conditions as laid down in items No.3 & 5 of the guidelines.



- Project terms and conditions as laid down in Item No. 10.
- Expected outcome and its benefits to the industry and economic benefits (in Quantifiable terms).

2. After evaluation of the project it would be recommended to the Project Approval Committee (PAC).

3. The Project Recommendation Committee will also suggest the Timeline for project completion, milestones to be achieved at each phase of the project and the component-wise funds required.

### 7.2. Project Approval Committee (PAC) :

1	The Secretary, Handlooms, Handicrafts, Textiles and Khadi Department, Secretariat, Chennai	Chairman
2	The Director of Textiles, Directorate of Textiles, Chennai.	Convenor
3	The Representative, Finance Department, Secretariat, Chennai	Member
4	Head of the Department (HoD), Department of Textile Technology, Anna University, Chennai	Member
5	The Representative, Indian Institute of Technology – Madras, Chennai	Member
6	The Representative, National Technical Textile Mission, New Delhi	Member
7	The Deputy Director, Regional Office of the Textile Commissioner, Ministry of Textiles (Govt. of India), Coimbatore.	Member

The Project Approval Committee will be convened whenever necessary to pursue and approve the Research and Business Development project proposals recommended by the Project Recommendation Committee (PRC).

On approval, the project shall commence and has to be completed within the stipulated time approved by the Project Approval Committee (PAC).

### **7.3 Project Execution:**

The Research Body is wholly responsible for the execution of the project and should undertake the following activities.

- The Research Body shall abide to the timely completion of the project, proper utilisation of the Government grants, and the terms and conditions laid down by the Project Approval Committee.
- Mobilise the required infrastructure, such as manpower, raw materials, testing facilities, etc.
- Execute the project within the timeframe.

### **8. Project Monitoring:**

Progress of the approved project will be monitored by the Department of Textiles with extended support from the Office of the Regional Deputy Directors as per the milestones accepted and activities of the Research Body.

The Research Body shall submit progress of the project to the Project Approval Committee (PAC) and Project Recommendation Committee (PRC).

The constituted committee members or Officials of the Department of Textiles may visit the Research Body periodically to review the progress of the work and suggest suitable measures to ensure the realization of the project objectives.

### **9. Phases of Funding:**

1. 35% of Financial Assistance would be released by the Project Recommendation Committee based on PAC's approval of the project proposal and undertaking by the Research Body.
2. Release of funds for the 2<sup>nd</sup> and 3<sup>rd</sup> instalments of 20% each on achieving specified milestones, the Regional Deputy Directors Textiles will inspect the progress of the project and recommend to the Project Recommendation Committee (PRC), and utilisation of a minimum of 75% of each instalment; In the case of Industry or Industry sponsored projects, the corresponding industrial contribution must have also been spent.
3. 25% final release of funds after project completion, submission of the outcome report, and utilisation of 100% of funds released in the 2<sup>nd</sup> and 3<sup>rd</sup> instalments. The Project Approval Committee should approve the Outcome.

4. The funds for the final instalment will be released by the Project Approval Committee (PAC) based on the recommendation of the Project Recommendation Committee.
5. The fund proposal must include a component-wise statement of Expenditure and Progress Report etc.,
6. The Research Body must maintain a separate account and all financial measures related to the project should be reported to the constituted committees.
7. On completion of the project, the following statements must be sent to the competent authority.
  - Consolidated audited statement of expenditure
  - Utilisation certificate
  - Chartered account Certificate (format approved by Government)
  - List of Assets and equipment purchased.
  - DD/Cheque for any unspent amount with the Institution.

#### **10. Terms and Conditions:**

1. Funding will be provided to the Research Body only. The Research Body conducting the particular research project is primarily responsible for all inter-partnership coordination, funds distribution, expenditure monitoring, and reporting progress to the Government. The Research Body is also responsible for the final desired outcome in a time-bound manner for a maximum of two years.
2. The funding provided will not cover additional infrastructure costs such as building or renovation work.
3. The research activities must be undertaken within each participating organisation's available infrastructure arrangement. However, research equipment required for specific jobs not available earlier may be procured by the 'Research Body', the details of which need to be indicated in the Research Proposal submitted for consideration by the Government. As far as possible, common test facilities may be utilised, where testing of such nature is not frequently necessary, to avoid creating redundancy in testing infrastructure.
4. The cost incurred towards the permanent workforce should not be charged to the cost of research. However, the cost of the additional temporary workforce (contract employee, consultants) proposed to be engaged for the 'Research Project' may be indicated clearly in the

- research Proposal, with details of man-days and cost per man-day in respect of each such engagement.
5. Each Project will have a minimum of two stages (The intermittent milestone stage and the outcome stage) towards achieving its 'Desired Outcome'. The Desired Outcome must be in clearly identifiable terms which has a potential for commercial use or towards an application of substantial improvement.
  6. The Research Proposal must indicate all such serial and parallel activities and suggest activities to be performed by the 'Research Body' and its Industry Partner/ Laboratory Partner in colour code in the PERT diagram.
  7. The Research Proposal must also define the timeline for each activity leading to a milestone and the Stage (a Stage means achieving a measurable and definable outcome before the Desired Outcome).
  8. Each Project will be reviewed periodically vis-a-vis its defined milestones and Stages. Periodical Project Progress Reports shall be submitted to the Director of Textiles. Further funding will depend upon the satisfactory progress of the Research Project in terms of the approved plan.
  9. The Research Body submitting the Research Proposal and its Partners may be required to present the proposal before the Committee(s) at the time of its consideration. The Research Body and its Partners for the Research Project are responsible for protecting research confidentiality.
  10. All the Research projects must be original, addressing a niche and advanced area in Technical Textiles and Man Made Fibre that has a broader benefit to the industry.
  11. If the Project is not completed within the stipulated period, the Government shall sanction an extension subject to conditions.
  12. If the Research Institution cannot complete or withdraw from the project after receiving the Fund, the Research Body is liable to repay the Fund sanctioned by the Government with interest.

### **11. Intellectual Property:**

The research outcome's Intellectual Property (IP) will generally vest with the Government. In cases where a participating Industry Partner has contributed substantially, the concerned Industry Partner(s) will have rights over the IPs for a certain period as approved by the Approval Committee.

**12. Format for Application:**

The Application shall have the following details.

- Complete details 'Research Body'.
- Details of Industry / Laboratory Partners.
- Details of the Research Team and their expertise.
- Project period (Maximum 1 – 2 years).
- Details of Research Project
  - Objectives
  - Methodology
  - Implementation schedule with Milestones
  - Role of each member
  - Desired Outcome
  - Project cost break-up (Component wise, recurring, and Nonrecurring)
  - Details of Costing (Additional Research equipment, Additional contract workforce, Consultants, and procurement of research materials)
  - Means of Finance (Total Funds required, Fund provided by industry partner, Fund provided by Research Institute, and Fund needed from the Government)
  - Details of available research facilities
  - PERT/progress chart with milestones and expected outcomes
  - Expected Outcome and benefits to the industry and economy (in Quantifiable terms).

V.AMUTHAVALLI  
SECRETARY TO GOVERNMENT

// True Copy //

*V. Amuthavalli*  
Section Officer

10.9  
30/1/25