



ABSTRACT

Handlooms and Textiles - Implementation of New Integrated Textile Policy- 2019 for the State of Tamil Nadu - Certain guidelines formulated for the effective implementation of selected textiles policies - Issued.

HANDLOOMS, HANDICRAFTS, TEXTILES AND KHADI (C2) DEPARTMENT

G.O.(Ms) No.40

008737

Dated: 13.03.2020

வினாக்கள், மாநாடு 30

Thiruvalluvar Aandu 2051

Read:

1. G.O. (Ms) No.35, Handlooms, Handicrafts, Textiles and Khadi (C2) Department, dated 17.03.1998
2. From the Director of Handlooms and Textiles letter Rc.No.42266/2007/B2 dated.18.09.2018.
3. G.O. (Ms) No.41, Handlooms, Handicrafts, Textiles and Khadi (C2) Department, dated 04.03.2019.
4. From the Director of Handlooms and Textiles letter Rc.No.8675/2019/K2, dated 11.04.2019.
5. From the Director of Handlooms and Textiles letter Rc.No.11404/2019/D1, dated 25.04.2019.
6. From the Director of Handlooms and Textiles letter Rc.No.9057/2019/K2, Dated. 27.05.2019.
7. From the Director of Handlooms and Textiles, Letter Rc No.12667/2019/K1, dated: 18.06.2019.

ORDER:

Considering the Textile Industry which is facing new challenges and looking at new opportunities due to the changing global environment such as abolition of quota system, favourable import terms for countries like Bangladesh, Vietnam, Sri Lanka etc, and other States in India having introduced attractive incentive packages for Textile sector, there was a necessity to formulate dynamic and growth oriented New Integrated Textile Policy for Tamilnadu. Accordingly, this Government in the Government Order 3rd read above, launched New Integrated Textiles Policy 2019 on 04.03.2019.

2. The Director of Handlooms and Textiles in his letters 4 to 7 read above has requested the Government to issue necessary orders for implementing the provisions of New Integrated Textiles Policy 2019 and to formulate guidelines for the effective implementation for the following sectors:-

(i) Under Sl.No.7.2.1 of New Integrated Textile Policy 2019 implementation of 2% Interest subvention for 35 lakh spindles for a period of 5 years @7 lakh spindles per annum and Rs.8000/- per Spindle as modernisation cost i.e. Rs.168 crore for five years towards modernisation (Blowroom to Spinning) of Spindles in existing spinning mills and requested the Government to sanction an amount of Rs.11.20 crore towards the implementation of above new incentive offered to Spinning Sector for one year under a new Head of account.

(ii) Under Sl.No.9.2-10, 9.2-11, 9.2-12 and 9.2-13 of New Integrated Textile Policy 2019 implementation of the new incentives as stated in the Policy, the Director of Handlooms and Textiles has requested the Government for sanctioning an amount towards the implementation of the new incentives offered under Powerloom Sector for one year under a new Head of account as follows:-

Sl. No.	Name of the Incentive	Pre-requisite condition to avail incentive	Required amount (Rs)
(a)	10% Additional Capital Subsidy for Brand new Shuttleless Looms	10% additional capital subsidy subject to the ceiling of Rs.4.00 lakh per shuttleless loom towards eligible investments on Brand New Shuttleless loom	20.00 crore
(b)	10% Additional Capital Subsidy for Brand new Weaving Preparatory Machine	10% additional capital subsidy subject to the ceiling of Rs.30.00 lakh per unit of weaving preparatory machines towards eligible investments on Brand New Weaving Preparatory Machines.	3.00 crore
(c)	10% Additional Capital Subsidy for in-situ upgradation of Plain looms	10% additional capital subsidy for In-situ upgradation of Plain Powerlooms under PowerTex India Scheme of Government of India.	82.50 Lakh
(d)	9% of State Grant for Modified Comprehensive Powerloom Cluster Development Scheme(MCPCDS)	9% of Project cost with a maximum ceiling of Rs.9.00 Crore per project towards eligible investments under Modified Comprehensive Powerloom Cluster Development Scheme (MCPCDS).	9.00 crore

(iii) Under Sl.No. 10.2.5 of New Integrated Textile Policy 2019 implementation of 10% capital subsidy subject to the ceiling of Rs.20.00 lakh per Wider Width Fabric Printing Machine towards eligible investments on Wider Width Fabric Printing Machine and also requested the Government to sanction an amount of Rs.1.00 crore towards the implementation of above new incentive offered to Fabric Printing Segment of Processing sector for one year under a new Head of account.

(iv) Under Sl.No. 19.1.2 & 19.1.3 of New Integrated Textile Policy 2019 implementation of assistance up to 50%, subject to a maximum ceiling of Rs.50,000/- for Energy Audit / Water Audit / Environmental Compliance, applicable on case to case basis. The Director of Handlooms and Textiles has also requested the Government to pass necessary orders for implementation of assistance upto 20% of cost of equipment required for energy and water conservation, subject to maximum of Rs.10 lakh, applicable on case to case basis and also requested the Government to sanction an amount of Rs.3.00 Crore towards the implementation of above new incentives offered to support infrastructure sector for one year under new head of account.

3. The Government have carefully examined the proposal of Director of Handlooms and Textiles and hereby accord approval for implementing the incentive schemes included in paras 7.2.1, 9.2-10, 9.2-11, 9.2-12, 9.2-13, 10.2.5 and 19.1.2 & 19.1.3. The total amount of **Rs.48.025 crore** as mentioned in para 2 above will be provided in the budget for 2020-2021.

4. The guidelines which are approved by Government is given in the annexure. The Director of Handlooms and Textiles will be the nodal officer for implementing the above schemes.

5. This order issues with the concurrence of Finance (Industries) Department vide its U.O. No.5085/2020, dated: 26.02.2020.

(BY ORDER OF THE GOVERNOR)

PRADEEP YADAV
PRINCIPAL SECRETARY TO GOVERNMENT

To:

The Secretary,
Ministry of Textiles, Government of India,
Udyog Bhavan, New Delhi - 11.

The Development Commissioner (Handlooms),
Ministry of Textiles, Government of India,
Udyog Bhavan, New Delhi - 11.

The Textile Commissioner,
Nishita Bhavan,
New CGO Building,
48, New Marine Lines, Mumbai - 20.

The Managing Director,
National Handloom Development Corporation (NHDC),
Wegmans Business Park, Tower - 1,
Plot No. 03, Sector Knowledge Park - III
Surajpur - Kasna Main Road,
Greater Noida - 201306.

The Managing Director,
National Cooperative Development Corporation (NCDC),
4, Siri Institutional Area, Hauz Khas,
New Delhi - 110 016.

All Additional Chief Secretaries / Principal Secretaries/
Secretaries to Government, Chennai 600 009.

✓ The Director of Handlooms and Textiles,
Chennai- 600 108.

The Managing Director,
Co-optex, Chennai - 600 008.

The Director of Sericulture,
Salem - 636 007.

The Chairman and Managing Director,
Tamil Nadu Handicrafts Development Corporation Limited,
Chennai - 600 002.

The Chief Executive Officer,
Tamil Nadu Khadi and Village Industries Board,
Chennai - 600 108.

The Managing Director,
Tamilnadu Skill Development Corporation,
Integrated Employment Offices Campus (1st Floor),
Thiru Vi.Ka. Industrial Estate,
Guindy, Chennai - 600 032.

The Principal Secretary/ Industries Commissioner &
Director of Industries and Commerce, Chennai-600 005.

The Principal Secretary/ Chairperson and Managing & Director,
Tamilnadu Small Industries Development Corporation Limited,
Guindy, Chennai-600 032.

The Principal Secretary/ Chairman,
Tamil Nadu Pollution Control Board, Chennai-600 032.

The Inspector General of Registration,
Chennai-600 028.

The Commissioner, Town & Country Planning,
Chennai-600 002.

The Principal Secretary / Chairman and Managing Director,
TIDCO, 19-A Rukmini Lakshmiipathy Road, Egmore,
Chennai-600 008.

The Managing Director,
State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT),
19-A, Rukmani Lakshmiipathy Road,
Egmore, Chennai - 600 008.

The Principal Secretary /
Chairman and Managing Director,
TANGEDCO, Chennai - 600 002.

The Commissioner of Labour,
DMS Campus, Teynampet, Chennai - 600 006.

The Commissioner of Employment and Training,
Guindy, Chennai - 600 032.

The Director of Technical Education,
Guindy, Chennai - 600 025.

The Director of Agriculture,
Chepauk, Chennai - 600 005.

The Executive Vice-Chairman,
Tamilnadu Industrial Guidance and Export Promotion Bureau,
19-A, Rukmini Lakshmiipathy Road,
Egmore, Chennai - 600 008.

The Commissioner of Commercial Taxes,
Ezhilagam, Chennai - 600 005.

Copy to:

The Chief Minister's Office, Chennai - 600 009.

The Deputy Chief Minister's Office, Chennai - 600 009.

The Senior Personal Assistant to Hon'ble Minister
(Handloom and Textiles) Chennai - 600 009.

The Private Secretary to Chief Secretary to Government,
Chennai - 600 009.

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

All Leading Textile Associations.
(Through Commissioner of Handlooms and Textiles)

All Sections in Handlooms, Handicrafts, Textiles and Khadi Department,
Chennai - 600 009.

Stock File/Spare Copy

//Forwarded // by Order//


SECTION OFFICER

ANNEXURE
(FOR G.O.(MS)NO.40, HHTK (C2) DEPARTMENT, DATED: 13.03.2020)

I Spinning Sector

Guidelines for 2% Interest Subvention for Investments on Technological Upgradation and Modernisation in existing Spinning Mills with a vintage period of minimum 15 years on installed machinery in Tamilnadu (7.2.1 of Tamilnadu New Integrated Textile Policy, 2019)

Period of interest reimbursement

- (a) Interest reimbursement of 2% will be available for a period of 7 years including 2 years of implementation/moratorium. The interest reimbursement will start from commencement of moratorium period. The implementation and moratorium period will be considered from the date of initial disbursement of loan.
- (b) The eligible unit in Tamilnadu should have availed loan to modernise / replace / upgrade the installed machinery which is at least 15 years old.

Eligible Machinery:

The list of machinery eligible for interest subvention is as follows:

1. Fully automatic bale handling, plucking, peeling and blending grab machine with microprocessors.
2. (i) Sophisticated blow room machinery for cotton fibre and its blends consisting of pre-cleaners, opening and cleaning machines with chute feeding system or lap making system, metal detector, microdust remover and dedusting condensers (for open end rotor spinning) with or without foreign fibre detector / remover.
(ii) Sophisticated blow room machinery for synthetic/ regenerated fibres and their blends consisting of opening and cleaning machines with chute feed system or lap making system, metal detector with or without foreign fibre detector / remover.
(iii) Foreign fibre detector with CCD camera, Automatic bale plucking machines & sophisticated cleaning machine equipment in existing blowroom line.
3. Automatic waste extraction system for card, gill box, comber and ring frame with or without waste recovery / recycling machinery.

4. (i) High production card capable of producing sliver above 50 Kgs/hr with autoleveller.
(ii) High production card for lap feed system capable of producing sliver above 50 kg/hr with or without autoleveller.
5. High production draw-frame with delivery speed of 500 meters and above /minute with or without autoleveller.
6. Sliverlap/Ribbonlap, Lapformer.
7. High speed combers of 240 nips/ minute and above.
8. Speed-frame with 1200 r.p.m. and above.
9. High speed ring frames having spindle speed of 16,000 r.p.m. and above.
10. Open end rotor of 75,000 rpm and above and other modern systems, such as DREF, PARAFIL, SELFIL AND AIRJET.
11. Automatic cone winding machine (auto coner) / cheese winding machine operating at the speed of 1500 metres per minute and above.
12. Electronic yarn clearers and splicers for upgradation of existing automatic winding machines.
13. Two-for-one/Three-for-one twistors operating at the speed of minimum 8000 rpm & 5000 rpm respectively.
14. Yarn conditioning machine.
15. Industrial Humidification system with air washer plant and air filters to maintain RH and temperature with / without de-humidifiers (Chillers).
16. Dust/particulate material seperators/collector (Air Pollution Control).
17. Overhead cleaner for spinning & winding.
18. Device for manufacturing core spun yarn.
19. Parallel winding machine with individual control management and length measuring device.
20. Process control equipments:
 - (a) Electronic yarn clearers for upgradation of existing automatic winding machines.
 - (b) "Advanced Automatic Plant Controls" for the Humidification Plant for controlling and maintaining R.H.
 - (c) Accessories for Ringframes for changing the spindle speed throughout the doff according to a set pattern, so that yarn breakages are minimized etc.

- (d) Individual spindle monitoring system and spinning break signal system for ring spinning to monitor the yarn breaks and production in a Ringframe.
21. Air Compressor 15 H.P. and above.
 22. Direct double yarn twisting attachment at Ring Frame
 23. Ring Data Management System.
 24. Plant Efficiency Management System.
 25. Cabling Machine.
 26. Any other items recommended by the committee appointed for recommendation of subsidy by the Government of Tamilnadu.

Procedure to avail 2% Interest Subvention:-

1. The applicant / unit shall submit the application to the area Deputy Director / Assistant Director of Handlooms and Textiles concerned.
2. The Deputy Director / Assistant Director of Handlooms and Textiles shall scrutinize, inspect and on satisfactory verification will forward the application along with Inspection Report to the Director of Handlooms and Textiles, Chennai.
3. The Committee formed by the Government under the Chairmanship of Director of Handlooms and Textiles shall examine the details submitted by the applicant entity and the inspection report submitted by the concerned Deputy Director/ Assistant Director of Handlooms and Textiles and recommend the eligible subsidy amount to the Government.
4. The eligible subsidy amount will be released to the loanee account of the Textile unit concerned.
5. In case the applicant has availed consortium financing, the subsidy amount will be credited in the accounts of the loanee on pro-rata basis.
6. The utilization certificate duly certified by the Statuary Auditors / Chartered Accountant of the beneficiary Textile unit should be submitted within one month from the date of release of funds. The Director of Handlooms and Textiles will forward the same to Government.

II. Powerloom Sector

A) Guidelines for availing Additional 10% Capital Subsidy Provided by Government of Tamilnadu to the Beneficiaries of Amended Technology Upgradation Fund Scheme (ATUFS). (9.2.10 & 9.2.11 of Tamilnadu New Integrated Textile Policy, 2019)

Incentives Offered:

1. The applicant / unit who are the beneficiary of ATUF scheme is eligible to avail 10 % additional Capital Subsidy subject to a maximum of Rs.4.00 lakh per loom for purchase of brand new shuttleless looms as approved under Amended Technology Upgradation Fund Scheme (ATUFS). (9.2.10 of Tamilnadu New Integrated Textile Policy, 2019).
2. The State Government will provide additional 10% Capital Subsidy subject to a ceiling of Rs.30 lakh per unit [2 (two) units of warping machine and 1 (one) unit of sizing machine] as approved under Amended Technology Upgradation Fund Scheme (ATUFS). (9.2.11 of Tamilnadu New Integrated Textile Policy, 2019)

Eligible Machinery

The machineries, which are eligible to get the additional capital subsidy announced by Government of Tamilnadu, are also included in the machineries list approved by Technical Advisory-cum-Monitoring Committee (TAMC) under ATUFS

Name of the Machinery	Machinery List	S.No in approved List
Shuttle less loom	MC-1A	Weaving S.No.2
Weaving Preparatory Machines	MC-1B	Weaving Preparatory S.No.8

Procedure to avail the 10% additional Capital Subsidy provided by the Government of Tamilnadu.

- i. The beneficiary entity will file the application to the area Deputy Director/ Assistant Director of Handlooms and Textiles office concerned after getting the ATUFS Capital Investment Subsidy from Government of India with all related documents.
- ii. After receiving the application, the Deputy Director / Assistant Director of Handlooms and Textiles shall form Inspection Team to physically verify the installation of the machinery. The copy of the Invoice duly attested by the circle Deputy Director / Assistant Director of Handlooms and

Textiles concerned will be forwarded with Inspection Report to the Director of Handlooms and Textiles, Chennai.

- iii. The Committee formed by the Government of Tamilnadu under the Chairmanship of Director of Handlooms and Textiles will verify all the details submitted by the beneficiary entity and the inspection report submitted by the Inspection Team led by Deputy Director / Assistant Director of Handlooms and Textiles and recommend the eligible subsidy amount to Government.
- iv. The subsidy amount will be released by the Government of Tamilnadu, into the loanee account of the Textile unit concerned. In case the applicant has availed consortium financing, the subsidy amount will be credited in the accounts of the loanee on pro-rata basis.
- v. The utilization certificate duly certified by the Statuary Auditors / Chartered Accountant of the beneficiary Textile unit should be submitted within one month from the date of release of funds. The Director of Handlooms and Textiles will forward the same to Government.

B) Guidelines of 10% additional subsidy provided by Government of Tamilnadu under in-situ Upgradation Scheme for Plain looms (PowerTex India) (9.2.12 of Tamilnadu New Integrated Textile Policy, 2019)

Objective:

The prime objective of the scheme is to upgrade existing plain loom to semi-automatic / shuttleless looms to improve the quality and productivity of the fabric being produced by way of the fixing certain additional attachments/kits and enable them to face the competition in the domestic and international markets, by way of providing financial assistance to economically weaker low-end powerlooms.

Type of Upgradation:

The applicant will be eligible to avail subsidy for following up-gradation, as covered under PowerTex India:-

- a) The plain powerloom upgraded to semi automatic shuttle loom by attachment of Dobby, Jacquard, breaking Device, Warp and Weft Stop motion, Pirn winding etc.
- b) In-situ upgradation of existing upgraded semi automatic shuttle looms to shuttleless rapier loom.
- c) In-situ Upgradation of existing plain powerlooms directly to shuttleless rapier looms.

Eligibility of Unit / Applicant

- i. A powerloom unit having powerloom permit / acknowledgement against Information Memorandum issued by Regional Office of the Textile Commissioner for installation of the Powerlooms (or) SSI Registration (or) Udyog Aadhar Memorandum (or) Electricity bill for the unit address / name of the owner is eligible for assistance under the scheme.
- ii. Powerloom unit having maximum 08 (eight) existing plain powerlooms, as per Powerloom Permit, is only eligible for availing benefit under the scheme. Priority would be given to units having less than 4 looms.
- iii. The unit should have electricity bill in its name or in the name of the owner of the unit or if the premises are on rental basis, necessary power sharing agreement between lessor and lessee should be available.

Eligible Attachment(s)/ kit(s) for In-situ upgradation of plain powerlooms to semi-automatic shuttle looms.

The existing plain loom is to be upgraded with following attachment(s)/ kits(s) as additional feature.

- i. Weft stop motion
- ii. Warp stop motion
- iii. Semi-positive let off motion
- iv. Efficient braking device (electro mechanical)
- v. Anti Crack device
- vi. Replacement of metallic parts by self-lubricating nylon parts
- vii. Mechanical Dobby
- viii. Jacquard
- ix. Pirn winding machine.

Eligible Attachment(s)/ kit(s) for In-situ upgradation of Semi-automatic Shuttle looms to Shuttleless Rapier looms.

- i. Rapier Kit.

Subsidy Offered by the Government of India

In each of this in-situ up-gradation, the Government of India shall provide financial assistance to the extent of 50%, 75% and 90% of the cost of up-gradation to a maximum subsidy of Rs.45,000, Rs.67,500, Rs.81,000 per loom for General, SC and ST category applicants respectively, as shown below:

Category	Percentage of Subsidy	Maximum subsidy Amount per loom (in Rs)		
		From Plain Loom to Semi Automatic Shuttle loom/ attachments of dobby, jacquard, pirn winding machine etc (with out rapier kit)	From Semi Automatic Shuttle loom to Shuttleless Rapier Loom (attachment of only rapier kit)	From Plain Loom to Shuttleless Rapier Loom /Kits attachments (Up-gradation with rapier kit)
General	50%	Rs.20,000	Rs.25,000	Rs.45,000
SC	75%	Rs.30,000	Rs.37,500	Rs.67,500
ST	90%	Rs.36,000	Rs.45,000	Rs.81,000

Note:

- 1) The maximum ceiling of subsidy per loom is worked out for attachment / specified kits including pirn winding machine and rapier kits.
- 2) Eligible subsidy under the scheme shall be based on the actual price of the attachments / kits or the maximum rates prescribed by the Textile Commissioner, whichever is less.
- 3) To avail the subsidy, the attachment / specified kits including pirn winding machine and rapier kits should be procured from the suppliers empanelled / registered under this scheme.
- 4) A unit with 8 powerlooms, which have not been upgraded, can be upgraded up to the number of 8 in stages under in-situ upgradation Scheme.

Subsidy offered by the Government of Tamilnadu

In order to support the Small Scale Powerloom Industry of the State, the Government of Tamilnadu have announced 10% additional Capital Subsidy to the '**General Category**' beneficiaries of In-Situ Upgradation of plain looms under PowerTex India Scheme in Tamilnadu New Integrated Textile Policy 2019. The Government of Tamilnadu shall provide 10% additional capital subsidy of the cost of up-gradation to a maximum subsidy of Rs.9000/- per loom for General category applicants as shown below:

S. No	Type of Upgradation	Cost of Upgradation	Maximum 10% Additional Capital Subsidy Given by Government of Tamilnadu per loom
1.	Plain Loom to Semi Automatic Shuttle Loom	Rs.40,000	Rs.40000 x 10% = Rs.4000/-
2.	Semi Automatic Shuttle Loom to Shuttleless Rapier Loom	Rs.50,000	Rs.50000 x 10% = Rs.5000/-
3.	Plain Loom to Shuttleless Rapier Loom	Rs.90,000	Rs.90,000 x 10% = Rs.9000/-

Procedure to avail the 10% additional subsidy provided by Government of Tamilnadu:

1. The applicant / unit who are the beneficiary of PowerTex India shall submit the application to the area Deputy Director / Assistant Director of Handlooms and Textiles concerned along with certificate of Regional Textile Commissioner Office for having availed subsidy under In-Situ Upgradation scheme of Government of India.
2. The Deputy Director / Assistant Director of Handlooms and Textiles shall scrutiny, inspect and on satisfactory verification will forward the application along with Inspection Report to the Director of Handlooms and Textiles, Chennai.
3. The Committee formed by the Government of Tamilnadu under the Chairmanship of Director of Handlooms and Textiles shall examine the details submitted by the applicant entity and the inspection report submitted by the Deputy Director/ Assistant Director of Handlooms and Textiles concerned and recommend the eligible subsidy amount to the Government.

4. The eligible subsidy amount will be released to the loanee account of the Textile unit concerned.
5. In case the applicant has availed consortium financing, the subsidy amount will be credited in the accounts of the loanee on pro-rata basis.
6. The utilization certificate duly certified by the Statuary Auditors / Chartered Accountant of the beneficiary Textile unit should be submitted within one month from the date of release of funds. The Director of Handlooms and Textiles will forward the same to Government.

(C) Guidelines for additional Grant provided by Government of Tamilnadu under Modified Comprehensive Powerloom Cluster Development Scheme (MCPCDS) (9.2.13 of Tamilnadu New Integrated Textile Policy, 2019)

The objective is to improve the existing brown field clusters by providing assistance to create the need based infrastructure. In addition to the assistance provided by the Government of India, the Government of Tamilnadu shall provide a grant of 9% of the project cost with maximum ceiling of Rs.9.00 crore for creating world class infrastructure in Powerloom Cluster to be setup in the State under Modified Comprehensive Powerloom Cluster Development Scheme (MCPCDS) of the Government of India.

Eligibility for availing the Government of Tamilnadu Grant.

The Powerloom Mega Cluster Projects, set up in Tamilnadu under MCPCDS of Government of India, are eligible to avail the State grant of 9% of the project cost with a maximum ceiling of Rs.9.00 crore per project. The scheme is not meant for Green field projects. It is proposed to fund those common infrastructures, which are not covered in any other scheme.

Project Components

The following components of the project will be eligible for funding under the Scheme, within the overall limit of the grant in the cluster.

- I. Common Facility Centres (CFCs) for pre and post loom weaving processing:
- II. Mini-Industrial Parks with Worksheds supported by Core Infrastructure:
- III. Innovative ideas and other need-based interventions

Implementaion Process:

The Process of Implementation will be as per the guidelines stipulated under the Modified Comprehensive Powerloom Cluster Development Scheme (MCPCDS).

Release of funds by the Government of India and the Government of Tamilnadu.

The following shall be the process/conditions for release of grant.

- 1) First instalment of 30% of the total Government of India share shall be released in two parts:-

First part of First instalment representing 10% of total Government of India share will be paid to the Special Purpose Vehicles subject to fulfilment of following criteria.

- i) Establishment of SPV.
- ii) Inclusion of one representative of Government of India and one representative of the CMTA on the Board of Directors.
- iii) Where land is required for the project, land has to be in the possession of SPV. The land should have either been purchased by the SPV and consequently registered in the name of the SPV or the SPV should have entered into a registered long term lease.
- iv) Execution of share holder's agreement showing agreement for issuance of shares by SPV to members in proportion of area allocable to them in equity contribution.
- v) Establishment of escrow account in a nationalized bank.
- vi) Detailed Project Reports duly validated by CMTA and approved by PAMC.
- vii) Availability of all statutory clearance necessary for commencement of the project and certified by the CMTA, including environment, water and electricity.

First part of First instalment representing 10% of total Government of Tamilnadu share will be released to SPV on submission of evidence for release of Government of India 10% share.

- i. Second part of First instalment representing 20% of total GoI share will be paid to SPV subject to fulfilment of following criteria:
 - a. On submission of Utilisation Certificate for 70% of the first part of first instalment released and on producing evidence of deposit of 1/3rd of investor's share in the escrow account. The utilisation certificate in prescribed format and audited statement of accounts by the chartered accountant are required to be furnished.
 - b. Details of equity contribution by SPV.

- c. Sanction letter for loan, in case SPV is taking term loan.
- d. Award of contracts worth equivalent to 50% of the total project cost excluding land cost.

Second part of First instalment representing 20% total Government of Tamilnadu share will be released to SPV on submission of evidence for release of Government of India 20% share and also submission of 70% utilisation certificate for Government of Tamilnadu Share released.

2) Second Instalment of 30% of the total Government of India Share will be released:

- 1) On utilization of remaining 30% of grant amount of first part of first instalment and on utilization of atleast 70% of the grant amount of second part of first instalment by the SPV and on utilization of investor's share deposited at the time of release of 2nd part of first instalment.
- 2) On production of evidence of deposit of another 1/3rd of the investor's share in escrow account.
- 3) Utilization Certificates in prescribed format and Audited Statement of Accounts by the Chartered Accountant as above shall be submitted by the SPV at the time of making claim for the 2nd instalment.

Second instalment representing 30% of total Government of Tamilnadu share will be released to SPV on submission of evidence for release of Government of India 30% share and also submission of utilization for remaining 30% of grant amount of first part of first instalment and on utilization of atleast 70% of the grant amount of second part of first instalment released by Government of Tamilnadu.

3) Third Instalment of 30% of the total GoI Share will be released

- i) On utilisation of remaining 30% grant amount of second part of first instalment and on utilisation of atleast 70% of the grant amount of second instalment by the SPV and on utilization of investor's share deposited at the time of release of second instalment.
- ii) Evidence of deposit of the remaining one third of the investor's share in the escrow account.
- iii) Award of contracts worth equivalent to remaining 50% of the total project cost excluding the land cost.

- iv) Utilization Certificates in prescribed format and Audited Statement of Accounts by the Chartered Accountant as above shall be submitted by the SPV at the time of claim for the 3rd instalment.
- v) As against 90% release of Government of India funds, the SPV should have contributed their 100%.

Third instalment representing 30% of total Government of Tamilnadu share will be released to SPV on submission of evidence for release of Government of India 30% share and also submission of utilization for remaining 30% of grant amount of second part of first instalment and on utilization of atleast 70% of the grant amount of second instalment released by Government of Tamilnadu.

4) Fourth Installment

- 1) Fourth instalment of 10% of the total GoI share will be released after operationalization of the project and on utilisation of remaining 30% of grant amount of second instalment and full utilization of the third instalment grant and on utilization of 100% of the investor's share.
- 2) Utilization Certificates in prescribed format and Audited Statement of Accounts by the Chartered Accountant as above shall be submitted by the SPV at the time of making claim for 4th instalment.

Fourth instalment of 10% total Government of Tamilnadu share will be released to SPV on submission of evidence for release of Government of India 10% share and also submission of utilization for remaining 30% of grant amount of second instalment and full utilization of the grant amount of third instalment released by the Government of Tamilnadu.

Other Terms & Conditions

Any revision of the period for implementation must have the approval of the PAMC, preferably in advance. In case of delay in implementation of the project beyond the agreed time schedule as approved by the PAMC, the Ministry of Textiles shall have the right to impose penalties.

Projects would be implemented on Public Private Partnership (PPP) basis. The assets created under the project cannot be dismantled or disposed off or transferred to other entity without approval of the Government of India. Moreover, there would be a lock in period of 10 years to maintain the status quo after completion of the project.

For more details, refer the guidelines of Modified Comprehensive Powerloom Cluster Scheme (MCPDS) of Government of India.

III Processing Sector

a) Guidelines of 10% additional capital subsidy provided by Government of Tamilnadu for Purchase of Wider Width Fabric Printing Machine (10.2.5 of Tamilnadu New Integrated Textile Policy, 2019)

Incentives Offered.

Financial assistance in the form of 10% Capital Subsidy, with a ceiling of Rs.20 lakh per machine will be provided on purchase of Wider Width Fabric Printing Machines (10.2.5 of Tamilnadu New Integrated Textile Policy, 2019)

Eligible Machinery

The machinery which is eligible to get the additional capital subsidy announced by Government of Tamilnadu, must be included in the machineries list approved by Technical Advisory-cum-Monitoring Committee (TAMC) under ATUFS for Wider Width Fabric Printing machine.

Procedure to avail the 10% additional Capital Subsidy provided by the Government of Tamilnadu.

1. The applicant / unit who are the beneficiary of ATUF shall submit the application to the area Deputy Director / Assistant Director of Handlooms and Textiles concerned along with certificate of Regional Textile Commissioner Office for having availed subsidy under In-Situ Upgradation scheme of Government of India.
2. The Deputy Director / Assistant Director of Handlooms and Textiles shall scrutiny, inspect and on satisfactory verification will forward the application along with Inspection Report to the Director of Handlooms and Textiles, Chennai.
3. The Committee formed by the Government under the Chairmanship of Director of Handlooms and Textiles shall examine the details submitted by the applicant entity and the inspection report submitted by the concerned Deputy Director/ Assistant Director of Handlooms and Textiles and recommend the eligible subsidy amount to the Government.
4. The eligible subsidy amount will be released to the loanee account of the Textile unit concerned.
5. In case the applicant has availed consortium financing, the subsidy amount will be credited in the accounts of the loanee on pro-rata basis.
6. The utilization certificate duly certified by the Statuary Auditors / Chartered Accountant of the beneficiary Textile unit should be submitted within one month from the date of release of funds. The Director of Handlooms and Textiles will forward the same to Government.

IV. Supporting Infrastructure

Guidelines of Financial assistance to Supporting Infrastructure Sector (19.1.2 & 19.1.3 of Tamilnadu New Integrated Textile Policy, 2019)

IV.1 Energy Audit

Energy audit helps in energy cost optimization, pollution control, safety aspects and suggests the methods to improve the operating and maintenance practices of the system.

IV.2. Water Audit

The water audit has guided the industry in deciding feasible options on reducing water usage, minimizing wastewater generation, and maximizing recovery.

IV.3 Environment Compliance

Consumers are becoming conscious about environment friendly goods and prefer products which are non-toxic in nature. This tendency for eco-friendly products has been extended to Textile and Apparel products.

In order to help the infrastructure sector of textile industry, the Government of Tamilnadu have announced the following incentive in "New Integrated Textile Policy 2019".

- 1) Assistance upto 50% subject to a maximum ceiling of Rs.50,000/- for Energy Audit/Water Audit/Environmental Compliance, applicable on case to case basis will be provided.
- 2) Assistance upto 20% of cost of equipment required for energy and water conservation, subject to a maximum of Rs.10 lakh, applicable on case to case basis will be given.

Eligibility:

The existing Textile units in operation for more than three years in Tamilnadu are eligible to avail the one time assistance for Energy, Water Conservation and Environmental compliance.

Conditions to be fulfilled to avail the financial assistance provided by the Government of Tamilnadu.

For availing the assistance for Energy Audit, Water Audit and Environmental audit, the beneficiary unit should fulfil the following conditions:

- a) The energy audit should be conducted and certified by Certified Energy Auditor / Auditing Firm / NABL accredited Energy Auditor/ eminent national level academic institution having expertise in this sector.

- b) The Water Audit should be conducted and certified by SITRA, Coimbatore (An autonomous body registered under the Societies Act and sponsored by the Ministry of Textiles, Government of India). Tamilnadu Pollution Control Board has recognized SITRA for conducting water consumption audits in processing industry.
- c) ISO 14001 is relevant to Environmental compliance. Environmental Audit should be conducted and certified by competent Service Providers.

Procedure to be followed to avail the financial assistance provided by the Government of Tamilnadu.

1. To avail the assistance upto 20% of the cost of equipment required for energy and water conservation, subject to a maximum of Rs.10.00 lakh, the beneficiary Textile unit should submit the application along with copy of the invoice and all related documents to the area Deputy Director/ Assistant Director of Handlooms and Textiles concerned.
2. To avail the assistance upto 50%, subject to a maximum ceiling of Rs.50,000/- for Energy Audit / Water Audit /Environmental Compliance, The beneficiary Textile unit should file the application to the area Deputy Director / Assistant Director of Handlooms and Textiles with Audit report and all related documents.
3. After receiving the application, the Deputy Director / Assistant Director of Handlooms and Textiles will physically verify the installation and commissioning of the machinery in cases of assistance for equipment installation. The copy of the auditor organisation invoice / machinery invoice duly attested by the circle Deputy Director / Assistant Director of Handlooms and Textiles will be forwarded with Inspection Report to the Director of Handlooms and Textiles, Chennai.
4. The Committee formed by the Government of Tamilnadu under the Chairmanship of Director of Handlooms and Textiles shall verify the details submitted by the applicant Textile unit and the inspection report submitted by the Inspection Team and recommend the eligible assistance amount to Government.
5. The assistance amount will be released by the Government of Tamilnadu to the bank account of the Textile units concerned.
6. The utilization certificate for released amount duly certified by the Statuary Auditors of the beneficiary Textile unit should be submitted within 1 month from the date of release of funds from the Government.

V. General

The Guidelines will come into effect from the date of issue of this order and in case of proposals linked to ATUF, PowerTex India, MCPCDS, etc., the proposals sanctioned hereafter shall only be eligible for financial assistance.

Pradeep Yadav
Principal Secretary to Government

//True Copy//

[Handwritten Signature]
13/03/20

Section Officer

[Handwritten Signature]
13/03/20

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