

F.No.18014/1/2022-SITP
Government of India
Ministry of Textiles

Udyog Bhawan, New Delhi
Dated 6th September, 2022

OFFICE MEMORANDUM

Subject: Modification in Guidelines for Integrated Processing Development Scheme – reg.

The undersigned is directed to refer to this Ministry's Notification No. 1/8/2016-SITP dated 7.12.2017 on Integrated Processing Development Scheme and to say that the competent authority has approved the following modifications in the scheme guidelines:-

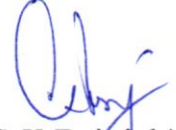
Para No.	Existing provisions	Proposed changes
5.2	<p>The project cost shall be borne by the Center, State, Beneficiary, Bank loan in the ratio of 50:25:15:10 respectively.</p> <ul style="list-style-type: none">• 15 percent of project cost shall be contributed through equity by the SPV.• 10 percent funding to be arranged through Bank Loans.• The GOI grant (50% of the total Project cost) shall be released in four installments of 15:35:30:20.○ 50% of the SPV contribution (equity + loan) shall be brought in the TRA account before release of 1st installment of GOI grant (15% of GoI share).○ 50% of state contribution and remaining 50% share of SPV share shall be brought and utilised (at least upto70%) before release of 2nd installment of GOI grant (35%	<p>The project cost shall be borne by the Center, State and SPV in the ratio of 50:25:25 respectively.</p> <p>The share of SPV may include Bank loan also but minimum of 15% of project cost should be contributed by SPV. In case, state Government does not contribute its share, SPV may be allowed to bring in 25% equity on his own or loan from bank.</p> <ul style="list-style-type: none">• The GOI grant (50% of the total Project cost) shall be released in four equal instalments of 25:25:25:25• Deleted.

	<p>of GoI share).</p> <ul style="list-style-type: none">○ 3rd installment of 30% of the GOI grant once the plant is operational and after availing and utilizing the balance 50% share of State Government.○ 4th and last installment of 20% once the plant has been run for 3 years.	
6.1(i)	<p>First Installment of 15% of the total Government of India (GOI) share will be released to the SPV subject to fulfilment of certain criteria as laid down in guideline:-</p> <p>* State Government will release 50% of its share immediately after release of 1st instalment GoI grant</p>	<p>First Installment of 25% of the total Government of India (GOI) share will be released to the SPV subject to fulfilment of certain criteria as laid down in guideline:-</p> <ul style="list-style-type: none">• 25% of the SPV's share (equity and/or loan) shall be brought in the TRA account before release of 1st installment of GOI grant (25% of GoI share). <p>* State Government will release 25% of its total share immediately after release of 1st instalment GoI grant.</p>
6.1(ii)	<p>Second instalment representing 35% of the total GOI share will be paid to the SPV subject to fulfilment of following criteria:-</p> <ul style="list-style-type: none">(a) Utilization Certificate duly certified by the Statutory Auditors of the SPV for the First instalment received.(b) Release of 50 percent share of State Govt. contribution into the TRA Account & utilization of at least 70% of the state government contribution.(c) Remaining 50% share of SPV share shall be credited into TRA account and 70% of total SPV share utilization. Duly certified by Statutory Auditors of the SPV.(d) Award of contracts equivalent to 50% of the eligible project cost.(e) Recommendation of PMC	<p>The second instalment representing 25% of GoI share will be released after fulfilling following criteria:-</p> <ul style="list-style-type: none">(a) Additional 25 % share of SPV shall be credited into TRA account.(b) Utilization of at least 75% of the total fund i.e. GoI share, SPV share and State Govt. Share.(c) Award of contracts equivalent to 50% of the eligible project cost.(d) Recommendation of PMC confirming that SPV fulfils all the conditions for release. <p>*State Government will release the 25% of its total share immediately after release of 2nd installment of GoI grant.</p>

	confirming that SPV fulfils all the conditions for release. * State Government will release the remaining 50% of its share immediately after release of 2nd installment of GoI grant.	
6.1(iii)	Third instalment representing 30% of the total GOI share will be paid to the SPV subject to fulfillment of following criteria:- (a) Utilization Certificate duly certified by the Statutory Auditors of the SPV for the Second installment, SPV share and certified copy of expenditure statement for the complete project cost. (b) Release of remaining share of State Govt. contribution into the TRA Account and its 100% utilization duly certified by the Statutory Auditors of the SPV. (c) A statement of corpus fund with at least 6 months O&M expenditure will also be created and documents will be submitted. (d) Recommendation of State Pollution Control Board (SPCB) that the project is fully operational and conforms to the norms. (e) Recommendation of PMC confirming that SPV fulfills all the conditions for release.	Third instalment representing 25% of the total GOI share will be paid to the SPV subject to fulfillment of following criteria:- (a) 100% share of SPV's contribution credited in TRA's account. (b) Utilization of atleast 75% of the total fund i.e. GoI share, SPV share and State Govt. Share (c) Commissioning of atleast 50% capacity of CETP (d) Recommendation of PMC confirming that SPV fulfills all the conditions for release. *State Government will release the balance 50% of its total share immediately after release of 3rd installment of GoI grant.
6.1(iv)	Fourth Installment representing 20% of the total GOI share will be released 3 years after the operationalization of the project and after the utilization of the 3rd installment. SPCB shall inspect the project after completion and give its report confirming that the project has been operational for a period of 3 years .	Fourth Installment representing 25% of the total GOI share will be released after fulfilment of following criteria: (a) Hiring of O&M agency. (b) Tripartite agreement for operationalization (c) Certification from State Government in terms of DPR. (d) Utilization Certificate of previous instalment. (e) 1/4th of last instalment as

		Bank Guarantee. (f) O&M agency will submit quarterly report about the project for next 12 months. (g) After running successfully for over a year (after release of last instalment), BG shall be returned.
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2. This is issued with the approval of the competent authority.



(G K Rajnish)

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To,

- (i) Office of Textile Commissioner, Mumbai.
- (ii) All PMC, SPVs of exiting projects.