

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

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Udyog Bhawan, New Delhi  
Dated 6<sup>th</sup> September, 2022

**OFFICE MEMORANDUM**

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

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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 <b>50:25:15:10</b> respectively.</p> <ul style="list-style-type: none"><li>• 15 percent of project cost shall be contributed through equity by the SPV.</li><li>• 10 percent funding to be arranged through Bank Loans.</li><li>• The GOI grant (50% of the total Project cost) shall be released in four installments of <b>15:35:30:20</b>.</li><li>○ <b>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).</b></li><li>○ <b>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%</b></li></ul>	<p>The project cost shall be borne by the Center, State and SPV in the ratio of 50:25:25 respectively.</p> <p><b>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.</b></p> <ul style="list-style-type: none"><li>• The GOI grant (50% of the total Project cost) shall be released in four equal instalments of <b>25:25:25:25</b></li><li>• Deleted.</li></ul>

	<p>of GoI share).</p> <ul style="list-style-type: none"><li>○ 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.</li><li>○ 4th and last installment of 20% once the plant has been run for 3 years.</li></ul>	
6.1(i)	<p><b>First Installment</b> 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><b>* State Government will release 50% of its share immediately after release of 1st instalment GoI grant</b></p>	<p><b>First Installment</b> 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"><li>• 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).</li></ul> <p><b>* State Government will release 25% of its total share immediately after release of 1st instalment GoI grant.</b></p>
6.1(ii)	<p><b>Second instalment</b> 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"><li>(a) Utilization Certificate duly certified by the Statutory Auditors of the SPV for the First instalment received.</li><li>(b) <b>Release of 50 percent share of State Govt. contribution into the TRA Account &amp; utilization of at least 70% of the state government contribution.</b></li><li>(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.</li><li>(d) Award of contracts equivalent to 50% of the eligible project cost.</li><li>(e) Recommendation of PMC</li></ul>	<p>The second instalment representing 25% of GoI share will be released after fulfilling following criteria:-</p> <ul style="list-style-type: none"><li>(a) <b>Additional 25 % share of SPV shall be credited into TRA account.</b></li><li>(b) <b>Utilization of at least 75% of the total fund i.e. GoI share, SPV share and State Govt. Share.</b></li><li>(c) Award of contracts equivalent to 50% of the eligible project cost.</li><li>(d) Recommendation of PMC confirming that SPV fulfils all the conditions for release.</li></ul> <p><b>*State Government will release the 25% of its total share immediately after release of 2nd installment of GoI grant.</b></p>