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Maharashtra



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Maharashtra



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Maharashtra



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Minister of State for Textile
Maharashtra

TEXTILE POLICY

Government of Maharashtra
Year 2011- 2017



**Ministry for Textiles
Government of Maharashtra**

**Government of Maharashtra,
Cooperation, Marketing &
Textiles Department,**

**Government Resolution No.
Policy-2011/C.R.335/TEX-2.**

Mantralaya, Mumbai- 400 032.

Date :- 2nd January, 2012.

- In 2006 the industrial policy of the State was announced, wherein an assurance was given that an independent, comprehensive policy would be prepared for textiles industries which play a most important role in the States economic structure.
- Textile industry is second only to agriculture in importance. It has the capacity to create the maximum jobs/employment after agriculture.

- Policy was to lay special emphasis on raising processing units at various levels from cotton to manufacturing textiles for the assured long term development on priority basis in the cotton producing sector, expansion of the textile industry and growth of employment in the State.
- The aim of the policy is to attract a total investment of Rs. 40,000/- Crores in this sector for the purpose of raising textile industrial units which do the process of enhancing value at various levels on the 45 lakh of cotton bales, which remain surplus in the State, and thereby to create 11 lakh new jobs in the next five years by this policy.

- The Government hereby gives its approval to determine the Maharashtra Government's Textile Policy for **2011-2017** as under :-

Cooperative Spinning Mills :-

- Present Scheme to give subsidies to cooperative spinning mills will be continued only for the region of Vidarbha/Marathwada and North Maharashtra according to the present pattern. (5 : 45 : 50)
- The Talukas in which subsidies has been given to co-operative spinning mills, in those Talukas subsidies will not be given to new co-operative spinning units as per the present patterns.
(5 : 45 : 50)

Power looms/Warping/Weaving/Sizing/Dyeing/ Printing/Garmenting/Knitting Units :-

- Giving subsidies in order of merits to projects of cooperative societies of shuttle less power looms /warping/sizing/yarn dyeing/dyeing/processing/garmenting etc. as per the present pattern and according to availability of funds. (10 : 40 : 50)
- Giving subsidies to the cooperative power looms units/bodies of Scheduled Castes ,Tribes and Minority Communities in following pattern viz. own share capital, Government Share Capital and Loan 5:45:50 instead of 10:40:50 will be considered in consultation with concern Department.
- Said additional 5% Government capital share will be made available from concern Department.

- Providing financial assistance for preparing project proposals to approved professional agencies appointed by the Government.
- Proposals submitted to Bank and Loan proposals sanctioned by the Bank in respect of long term loans to modernize cooperative power looms units belonging to Schedules Castes/Tribes and Minority Communities.
- The admissible fee to the professional agencies will be released after success of the project.
- Projects of modernization of power loom units of Scheduled Castes, Scheduled Tribes and Minorities, which have received Bank's approval, a scheme to give 10% capital subsidy of the capital investment.

Policy of interest subsidy on long-term loans linked to centrally sponsored TUF Scheme:-

- Interest subsidy on long term loan linked to centrally sponsored TUFs will be started for **NEW** Textile project as well as for **MODERNIZATION/EXTENSION** project of **EXISTING** textile units.
- Orders regarding interest subsidies for **TEXTILE PARKS** will be issued separately.

Policy of 10% capital subsidy to units in Vidarbha, Marathwada and North Maharashtra.

- 10% capital subsidy scheme will be started for **NEW** textile project in Vidarbha, Marathwada and North Maharashtra.
- The orders regarding nature of the scheme, eligibility conditions, eligible units and modality of release of subsidy of the scheme will be issued separately.

OTHER POLICY DECISION

- Proposal to give subsidy under special component scheme and tribal development sub plan of the district having low human index i.e Gadchiroli, Yavatmal, Jalna, Nandurbar, Washim, Dhule, Nanded, Osmanabad, Buldhana, Chandrapur.
- Skilled workers are needed to use higher technology in the textile sector and Implementing the Skills Development Programme with the help of the Higher and Technical Education Department.
- Implementing "Gharkul" (housing) scheme, health insurance scheme, workers' welfare scheme for power loom workers in the textile sector.
- To review / delete the provisions of act regarding labour and pollution control; which are adverse to the textile industry.

Allocation of funds in twelfth 5 year plan for new textile policy:-

Rs in crores

Year	Interest Facility	10%subsidy	Total
11-12	1	--	1
12-13	10	--	10
13-14	100	300	400
14-15	200	300	500
15-16	250	300	550
16-17	350	300	650
Total	911	1200	2111



COTTON TO CLOTH SCHEME-1

10% capital subsidy
to new textile Unit
in Marathwada,
Vidarbha and
North Maharashtra.

Government of Maharashtra,
Cooperation, Marketing & Textiles Department,
Government Resolution No. Policy-2012/C.R 2/
TEX-2.

Mantralaya, Mumbai- 400 032.

Date :- 1st, March, 2012.



Introduction

- The scheme of 10% capital subsidy of the eligible capital investment for the **New Textile Units** set up in:-

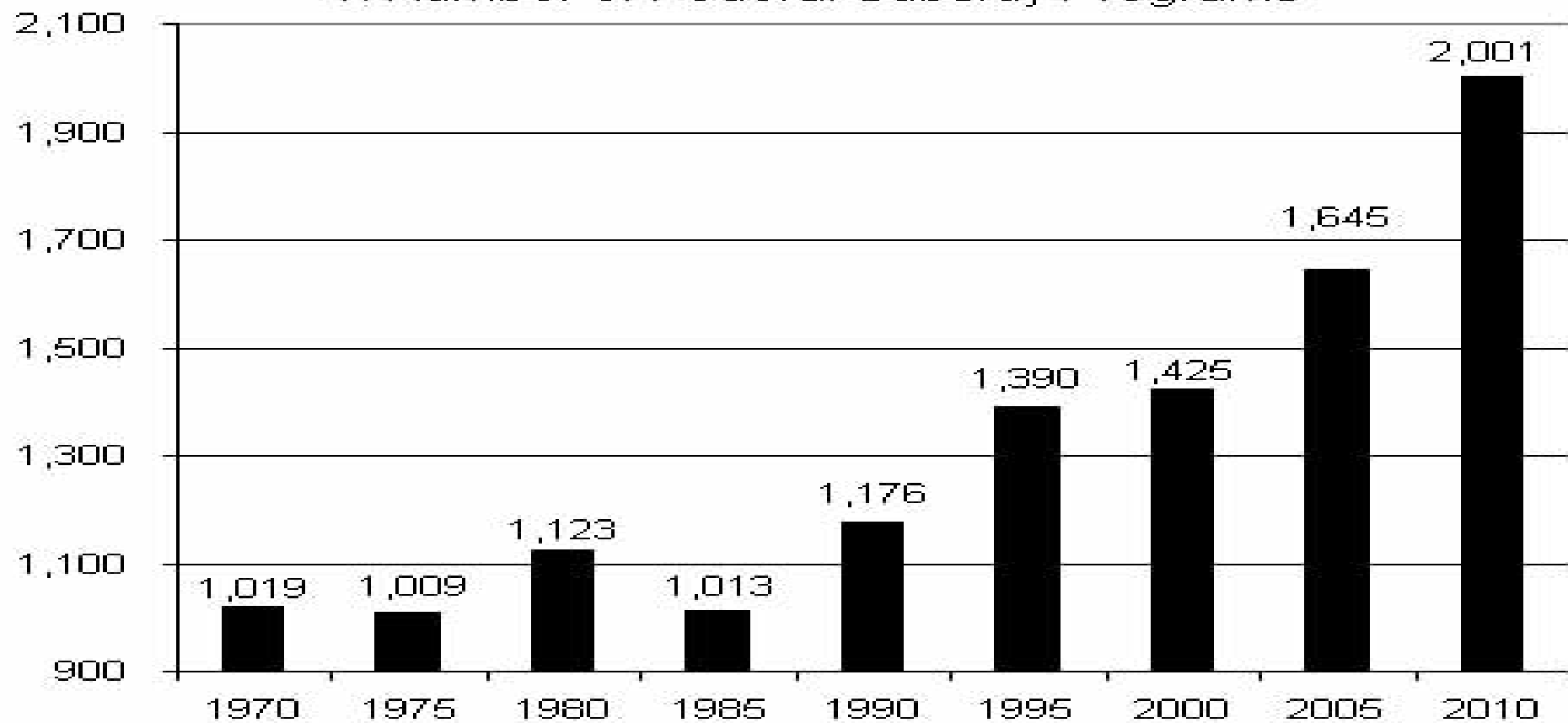
1] **Marathwada** [Aurangabad, Nanded, Latur, Jalna, Beed, Parbhani, Osmanabad, and Hingoli.] ,

2] **Vidarbha** [Akola, Amravati, Bhandara, Buldana, Chandrapur, Gadchiroli, Gondiya, Nagpur, Wardha, Washim, Yavatmal]

AND

3] **North Maharashtra** [Ahmednagar, Dhule, Jalgaon, Nandurbar and Nashik.]

1. Number of Federal Subsidy Programs



10% Capital subsidy to new textile units in Vidarbha, Marathwada and North Maharashtra.

- “Eligible Textile projects ” means projects which are eligible for interest subsidy under centrally sponsored TUF scheme.i.e
 1. Cotton Ginning and Pressing
 2. Spinning/silk Reeling & Twisting/Intregrated Silk Park/ Synthetic Filament/Yarn texturing, crimping twisting.
 3. Wool scouring, combing and carpet industry
 4. Manufacturing of viscose filament yarn and viscose staple fibre
 5. Weaving /Knitting
 6. Technical Textile and non-wovens
 7. Garment/Made-up manufacturing
 8. Processing of fibre /Yarn/ Fabrics/ Garments/ made-ups
 9. Modernisation /Expansion/Rehabilitation of existing textile units
 10. Textile parks (as approved by GOI under SITP)
 11. Energy Saving & process control equipment for various sectors.
 12. Skill Development Activities

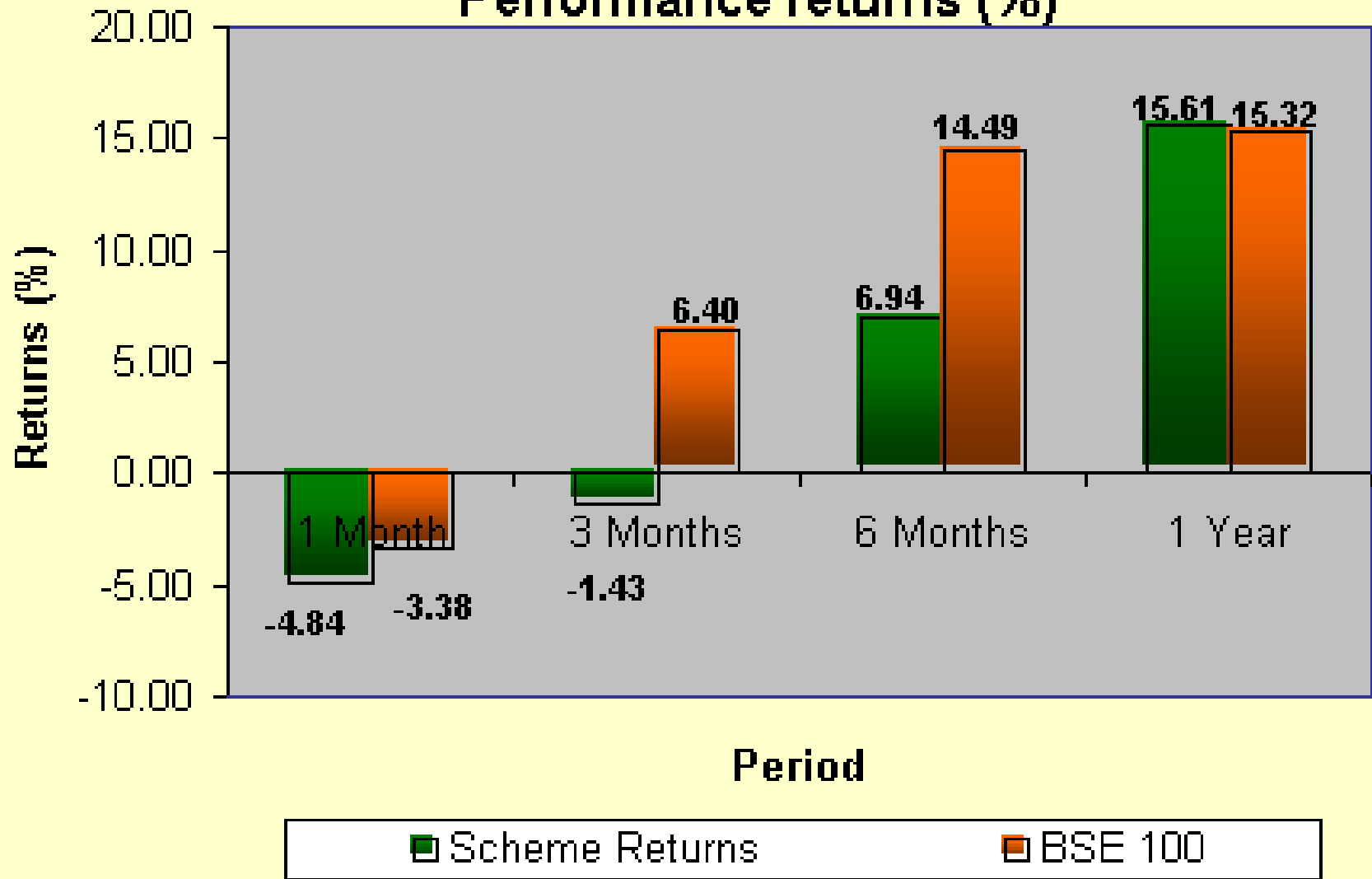
- For the said capital subsidy the original project cost eligible for interest subsidy under the Centrally sponsored TUF Scheme only shall be considered.
- The benefit of 10% capital subsidy will not be admissible to any increase in the original project cost.
- The said 10% capital subsidy shall be in addition to all the benefits available from all sources [i.e. Centrally sponsored TUFs, Industries Department's policy etc.] including the assistance in respect of interest subsidy available under the new Textile Policy of the State.



Projects eligible for 10% Capital Subsidy Scheme

- Project of Marathawada, Vidharbha & North Maharashtra sanctioned and set up under the Centrally sponsored TUF scheme within the period of the issuing date of this Government Resolution to 31st March, 2017.
- “Projects sanctioned under the Centrally sponsored TUF scheme” means projects approved by the nodal financing institutions/banks, or other co-opt. Banks/ Institutions under the Centrally sponsored TUF scheme and have obtained UID number from the Commissioner of Textile, Ministry of Textiles, Government of India.
- Projects of Textile units which were sanctioned by Banks before the date of issuing of this Government Resolution shall not be eligible for this scheme.

Performance returns (%)



Period of the Scheme

- Projects sanctioned under the Centrally sponsored TUF scheme from the date of issuing this Government Resolution till the date 31.3.2017.
- This scheme shall be reviewed by the Government on discontinuation of TUF Scheme or at any other time, without affecting liabilities committed till then.



Admissibility in respect of 10% Capital subsidy

- After the Project of textile unit is completed and the unit comes under production.

- The 10% capital subsidy scheme will **NOT** be applicable to:-
 1. projects of modernization of existing textile units.
 2. re-habilitation of existing textile units.
 3. expansion of existing textile units.



On line monitoring of the Scheme

- With the assistance of NIC online monitoring of this scheme shall be done.
- User ID & Password will be provided to financial institutions/Banks for feeding information online.

Technology Upgradation Fund Scheme

Login :	<input type="text"/>
Password :	<input type="password"/>
<input type="submit" value="Submit"/>	

This portal is for lending agencies only.
Individual units required to approach their respective lending agencies for obtaining unique ID number.



Nodal Banks/Financial Institutions/Co-opted Financial
Institutions giving Loan

- In Government of India's TUF scheme number of Financial institutions and Banks have been designated as Nodal agencies.
- These nodal agencies have co-opted other Financial Institutions and Banks for implementing the TUF scheme.
- They are also allowed to co-opt other financial institutions and Banks.
- On similar lines these agencies and co-opted Banks and Institutions will work under the State sponsored scheme.
- The nodal agencies shall submit subsidy proposal directly to the Director (Textile).
- The co-opted Institutions / Banks will submit subsidy proposal through their nodal agencies to the Director (Textile). Director (Textile) will submit proposals to the State Government for release of funds.



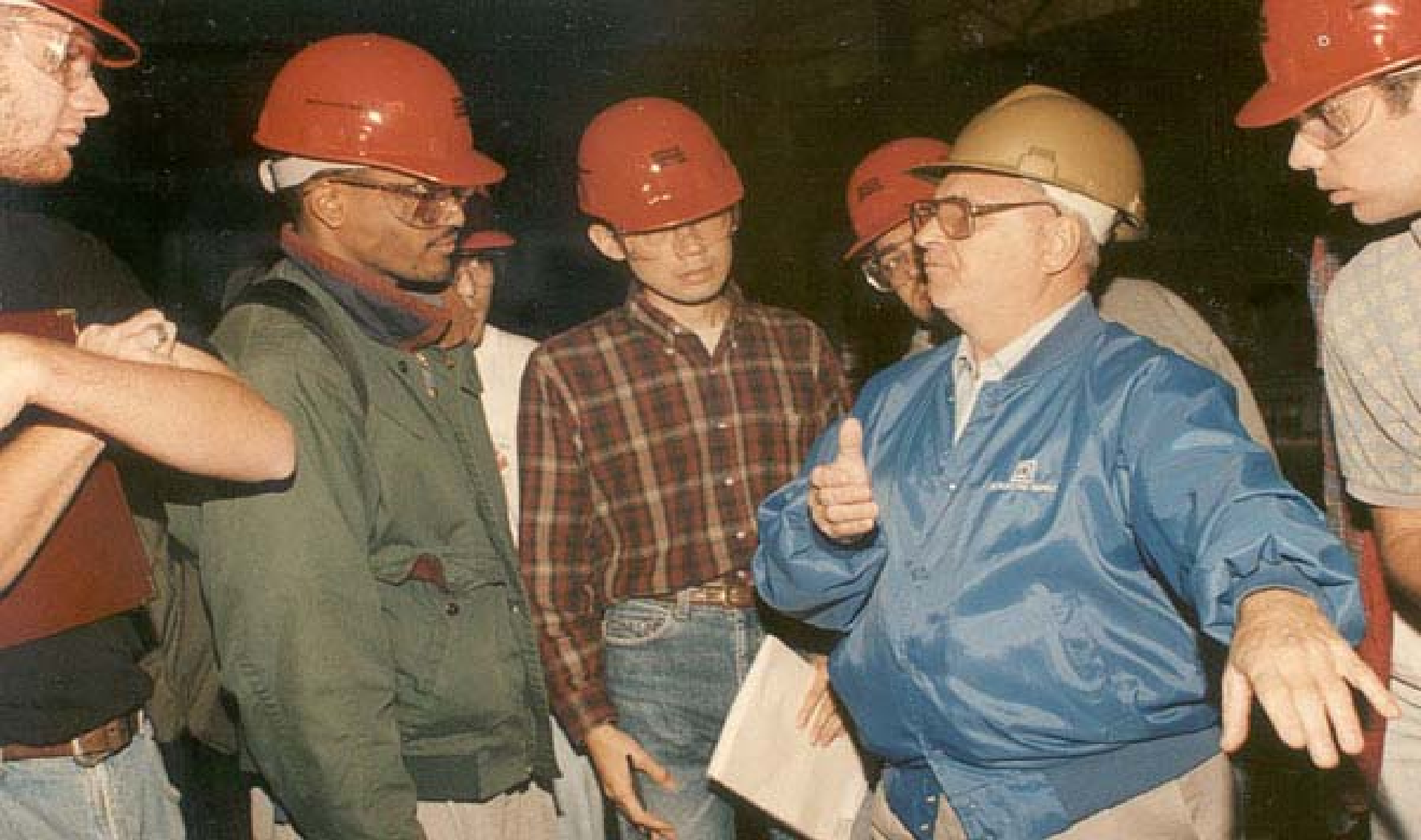
Responsibility of nodal financial institutions/banks

- To submit online information regarding project to Government of Maharashtra through Director of Textile, in form "A" .
- To submit 10% capital subsidy proposal to the Government through Director (Textile) in Form 'B' along with the Account of Funds previously received from the government, utilization certificate and with other certificates as prescribed .

- Physical checking and certifying that the machinery purchased by the project is according to the machinery prescribed under the Centrally sponsored TUF scheme.
- Certifying that the investment being considered for the 10% capital subsidy claim, is equal to the investment approved under the Centrally Sponsored TUF Scheme for the purpose of interest subsidy under TUF scheme.
- Certifying that a project is new and has been sanctioned within the period permissible under the said scheme.
- Certifying that any increase in the original cost of the projects is not considered for the purpose of the 10% subsidy scheme

- Opening a separate account in the nodal Branch of each nodal institution/banks, for the purpose of disbursement of funds under this scheme.
- First depositing in that account, the amount of grant disbursed by the Government, being the amount of subsidy payable under the said scheme.
- Out of the said account crediting the capital subsidy amounts payable to the units concerned, in their respective term loan accounts in one installment.
- Crediting the interest on the balance amount at the prevailing rate; and as regards the amount of interest accruing on the credited amount lying in balance in the Bank account of the Government, depositing the said amount of interest every quarter in the Government's consolidated Fund.

- As regards the amounts disbursed by the Government to the nodal banks and financial institutions for disbursement of grants payable to the units concerned, under this scheme, utilizing the said amounts only for the purpose for which they are given.
- If the amounts are used for other purposes, the entire amount together with interest at the rate of 10% shall be repaid to the Government.
- If a project has taken loan from more than one financial institution, the claim for the admissible subsidy should be submitted through the financial institution which had sanctioned the biggest amount of loan. The grants shall be disbursed accordingly.



Responsibility of the Directors

- Checking the information received from financial institutions /Banks and recommending to the Government, the admissible subsidy.
- In order to make budgetary provision for this scheme, action will be taken to open a new accounts head, with concurrence of the Accountant General and the Government.



Thank you!



COTTON TO CLOTH SCHEME-2

Scheme for interest

subsidy on long-term

loans to textile projects /

units set up in

Maharashtra during 2011-17

linked with Centrally

Sponsored TUF Scheme

Government of Maharashtra

Cooperation, Marketing and Textiles Department,

Government Resolution No. Policy-2012/C.R. 1/

Tex-2.

Mantralaya, Mumbai-400 032.

Date : 1st March, 2012.



Introduction



Scheme of interest subsidy on long-term loans linked to the Centrally sponsored TUF scheme.

■ For the purpose of this scheme:-

- A) Either 12.5% OR
- B) Banks' prime lending rate OR
- C) The rate of interest actually charged,
- D) Whichever rate is less, will be taken as applicable rate of interest.

■ The benefit under the said scheme will be admissible for :-

- 1) Newly set up textile units in the State
- 2) Modernization of existing textile units.
- 3) Expansion of existing textile units.
- 4) Rehabilitation of existing textile units.

The units to be charged 0% and 2% rate of interest are as under

Sr. No.	0% rate of Interest.	2% rate of Interest.
1.	All eligible textile units in Vidarbha, Marathwada, North Maharashtra, Konkan and D+ Industrial Areas.	Private cotton mills in areas other than Vidarbha, Marathwada, North Maharashtra, Konkan and D+ Industrial Areas.

Sr. No.	0% rate of Interest.	2% rate of Interest.
2	Garmenting in the entire State.	Private Processing Units
3	New Power loom Industries based on modern technology in the whole State	Private Knitting units.
4	Modernization of Power looms in the whole State.	-
5	All types of silk projects in the entire State.	-
6	All eligible textile units in the cooperative sector.	All other eligible private textile units.

- As regards those textile projects which have availed of the benefit of capital/margin money subsidy instead of interest subsidy as per serial numbers [iii], [iv], [ix]

and

- Interest subsidy will be admissible to such projects, which they would have got under the State Government's interest scheme, if they had taken interest benefit under the centrally sponsored TUFS. ?

- Projects sanctioned on or after the date 1.4.2011 under the Centrally sponsored TUF but excluding the jute industry in respect of Centrally sponsored TUFS.
- Project sanctioned under the Centrally sponsored TUF scheme means projects which have received UID numbers from the Textile Commissioner, Government of India.
- After being sanctioned by Nodal agencies, or financial institutes /Banks co-opted by the nodal agencies.

- **Textile units set up in the State of Maharashtra.**
- Projects, which have been sanctioned on or after the date 1.4.2011 till the date of issue of this Government Resolution,
- The benefit will be admissible to such projects from the date of this Government Resolution.
- Project proposals of Textile Units sanctioned by the Bank on or before the date 31st March,2011, shall not be eligible for this scheme .

- Under the scheme, the interest subsidy will be admissible to private and cooperative projects.
- Projects which have not received UID number from the Textile Commissioner, Government of India, shall not be eligible under the State scheme for interest subsidy.

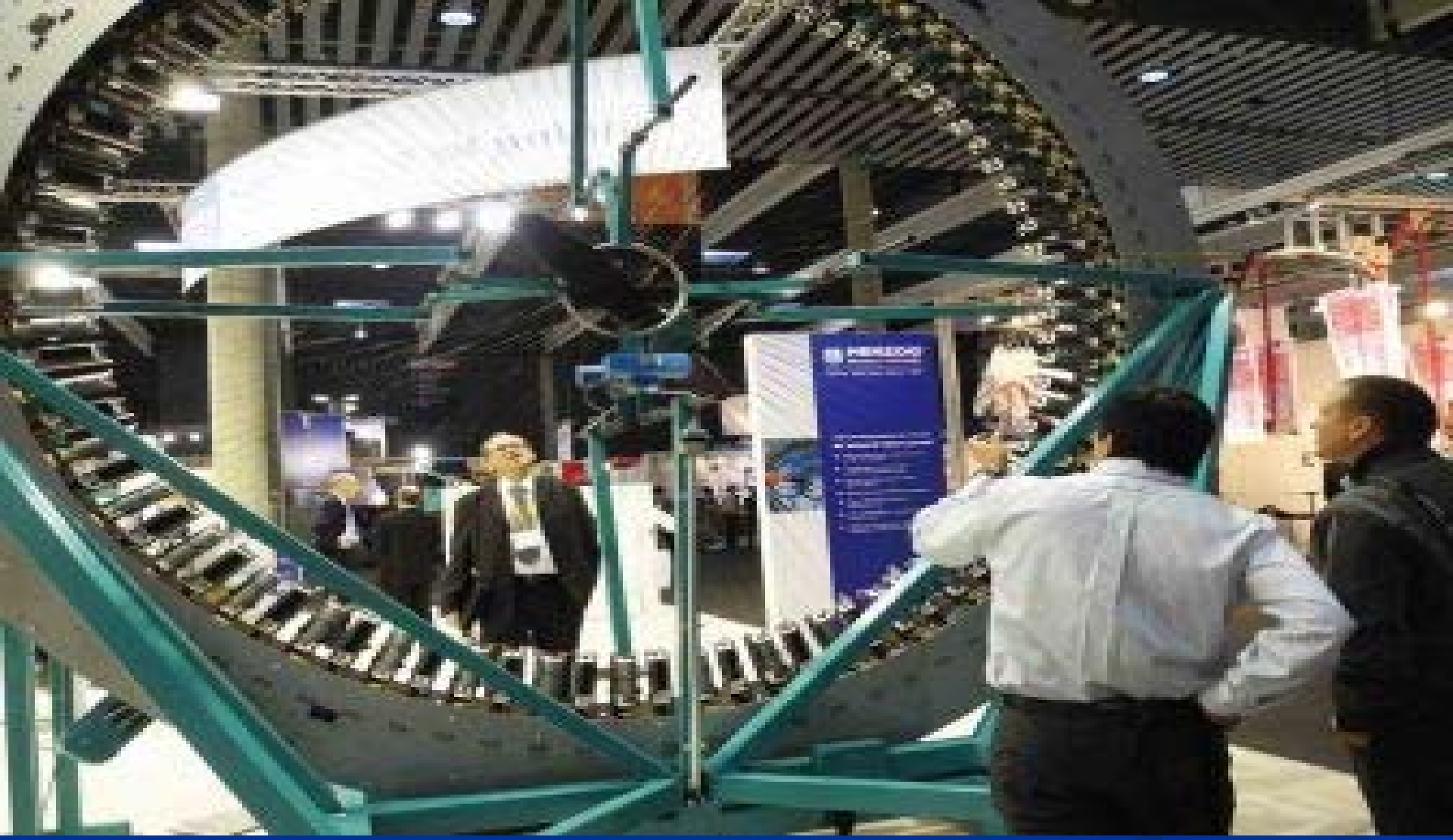
Duration of the Scheme. :-

- **Date 1.4.2011 to 31.3.2017.**
- If Centrally sponsored TUFS scheme is discontinued
THEN
- The Scheme can be reviewed by the State Government without adversely affecting the claims of already approved units.



Admissibility of Interest Subsidy. :-

- After the interest subsidy becomes admissible under the Centrally sponsored TUFS scheme.
- If, for some reasons, a unit delays repayment of an installment, the interest charged by the institutions for the period of delay, and the penal interest will not be reimbursed.



Cost of Projects:-

- There will be no ceiling on investment in a project.
- The interest subsidy will be payable on the amount of long term loan admissible for the purpose of the interest scheme under the Centrally sponsored TUFS.



Period of reimbursement. :-

- Under this scheme the total period of reimbursement of interest subsidy shall be 7 years, which will include 2 years of moratorium.
- If the period of implementation of the project is more than 2 years, then the period for implementation to be taken into account, shall be only 2 years for calculating the interest subsidy.
- The period of implementation will be counted from the date of disbursement of first installment of the loan.
- The admissible reimbursement of interest will be quarterly.
- The said reimbursement will be admissible for either seven [7] years or the actual period of repayment fixed by the bank/ financial institution while sanctioning loans, whichever period is less.

- Banks may give loans for a period exceeding 7 years but the interest subsidy shall be admissible for 7 years only.
- The said period will include 2 years' for implementing the project.
- If a project turns out to be a non-performing asset [NPA], the interest for that period shall not be reimbursed.
- After a project comes out of non-performing asset status reimbursement of interest will be admissible from that date.
- In case loan is restructured the assistance of interest subsidy shall not be more than originally scheduled repayment.

- Where projects have been sanctioned after 01.04.2011, but before the issue of this G.R. & first installment of the loan have been disbursed before the issue of this G.R., then the period between the disbursement of first installment and issue of this G.R. shall be counted towards Seven year period admissible for interest subsidy.



Items to be taken into account for calculating the
admissible interest subsidy. :-

- For the purpose of calculating interest subsidy, it shall be determined:-
 - On how much loan amount the interest subsidy will be payable in the relevant three-monthly period.
 - The rate of interest for the purpose of interest subsidy should be fixed and the interest subsidy available under the Centrally Sponsored TUFS scheme, should be reduced.
 - For calculating the eligible interest subsidy, the interest subsidy available under the State Government's industrial policy shall also be reduced.

- The amount of loan admissible for the purpose of interest subsidy is:-
- For calculating this amount banks shall maintained account of repayment .
- Only originally sanctioned admissible loan amount shall be considered for calculating the interest subsidy.
- The amount of admissible loan should be worked out for the purpose of calculating the interest subsidy in the quarter for which interest subsidy is proposed.

- Under the said policy, 12.5% is the maximum rate of interest permissible.
- The quarterly period for which the proposal of interest subsidy is received, either the interest actually charged OR
- The prime lending rate fixed by Banks for that quarter or 12.5%, whichever rate is less, should be considered.
- Reimbursement of interest subsidy is to be regulated in a manner that effective rate of interest is 0% or 2%.
- On this basis interest subsidy payable on admissible loan for the concern quarter shall be calculated.

- The amount of interest subsidy due to the unit under the Central Government's TUFS scheme, should be deducted from the above calculations.
- The interest subsidy admissible to the unit concerned in a year under the State's industrial policy, should be divided into 4 equal installments and deducted from the interest subsidy due under this scheme quarterly.
- The interest subsidy payable for each quarter should be calculated as above. No penal interest shall be admissible while doing so.



Responsibility of Banks, Nodal Agencies and Other Financial Institutions. :-

- * This scheme will be implemented with the collaboration of Banks and Financial institutions on the pattern of the Central Government's TUFS scheme.
- * For that purpose, the responsibility of the Banks or Financial Institution concerned shall be as Nodal Agency.

- The Nodal agencies shall submit interest subsidy proposals to the State Government through the Director, Textile, Government of Maharashtra.
- The co-opted institutions and banks shall submit interest subsidy proposal to the State Government through respective nodal agencies and the Director, Textile, Government of Maharashtra.

- The information about sanctioned units and proposals of interest subsidies will be submitted in:-

- 1) Forms "A" and

- 2) Form "B" respectively

to the State Government online, through the Director, Textile, Government of Maharashtra.

- It shall be obligatory to submit the information in Form "A" to the State Government through the Director within one week after receiving UID No. from the Central Government.

- It shall be obligatory to submit in Form "B" proposals to receive interest subsidy, to the State Government through the Director, Textile, Government of Maharashtra online within one week of receiving the interest subsidy for the relevant quarter from the Central Government.

- To submit proposals of interest subsidies in Form "B" together with accounts of the funds given to them previously by the Government, a certificate regarding application/use thereof and the other certificates, should be submitted to the Government through the Director, Textile, Government of Maharashtra.

- Certificate of verification that the machinery purchased and actually erected is according to the machinery prescribed in the Centrally sponsored TUFS scheme.
- Certificate that the investment taken into account for the purpose of the interest subsidy is only as much as the investment approved by the Central Government for grant of interest subsidy under the TUFS Scheme.

- Certificate that the project was sanctioned within the period permissible for the purpose of the State Government's interest subsidy scheme.
- Certificate that the information given in Forms "A" and "B" is true.
- Certificate that the amount of penal interest is not included in the amount of the interest subsidy claimed.

- If the total amount of loan includes both types of loans, viz. Loan approved under TUFS and Loan not approved under TUFS, then to give a certificate to the effect that adjustment was made at the time of repayment.
- In the same way in which the loan was disbursed for the items of Loan approved under TUFS and Loan not approved under TUFS at the time of disbursing loans.
- Certificate that EXCESS amount has not been claimed.

- For the purpose of allocating funds under this scheme, a separate account should be opened in the Nodal Branch of each nodal agency/Bank.
- The amount disbursed by the Government, i.e. the amount of the grant payable under the said scheme, must be deposited in this Account first.
- Out of the said account, the amounts payable to the units concerned should be deposited in the term loan account of the unit concerned.
- Accounts should be maintained in respect of the balance amount in the said account.
- Interest on the balance amount should be credited at the prevailing rate; and the amount of interest accruing on the balance amount in the account will be deposited in the Government's consolidated fund every quarter.

- As regards the amounts disbursed by the Government under this scheme to the nodal agencies/banks for the purpose of disbursing grants payable to the units concerned, such amounts shall be used only for the purpose for which they are given.
- If a Bank uses the said amount for another purpose, the said amount shall have to be repaid together with 10% interest to the Government in one installment.



Responsibilities of the Director, Textile,
Government of Maharashtra:-

- While submitting information in Form "A" the nodal bank/financial institution concerned will submit information as to whether the unit is in the cooperative sector, based on the information given in the project report.
- This information shall be got verified/ ascertained through the Registrar concerned and certified to that effect by the Director, Textile, Government of Maharashtra.

- It should be certified whether project is in Vidarbha, Marathwada, North Maharashtra, Konkan and D+ Zone or not.
- Interest subsidy to a certain extent is permissible under the industrial policy 2006 of the State Government's Industries Department.
- The maximum period of this subsidy is 7 years.
- As regards those project which are eligible under the said Government Resolution, the interest subsidies payable to such projects during the period of reimbursement under the State's industrial policy, should be checked/ascertained through the Industries Department, and certified to that effect and adjusted for finalizing the claim.

- Proposals of interest subsidies submitted by nodal banks/financial institutions under the State Government's interest subsidy scheme, should be checked to ensure that such proposals are according to the provisions of the Government Resolution and that the calculation of interest claim is correct and then the proposal should be submitted online to the State Government.



Procedure to disburse interest subsidy. :-

- Nodal institutions/banks will submit their proposals of interest subsidy in Form "B" directly to the Director, Textile, Government of Maharashtra.
- Co-opted Banks/ co-opted financial institutions will submit their proposals to the Director through the nodal banks concerned. It shall be obligatory to submit proposals of interest subsidy together with the certificate.
- It shall be obligatory to submit the proposal of interest subsidy to the Director, Textile, Government of Maharashtra, within one week of receiving the interest subsidy from the Central Government for the relevant quarter.

- On receiving a proposal of interest subsidy, the Director, Textile, Government of Maharashtra will scrutinize the proposal and submit a complete proposal to the State Government online.
- On receiving the proposal from the Director, Textile, Government of Maharashtra, the Government will check/ascertain it and after sanctioning deposit the funds in the account, opened in a nodal Bank.
- From that account, the concern Bank or financial institution will deposit the approved funds in the long-term loan account of the units concerned.



Online monitoring of the Scheme

- A programme will be got prepared from the National Information Technology Centre (NIC) to monitor the said scheme online.
- Information about a project and information about the claim for admissible interest subsidy will be submitted in Forms "A" and "B" by nodal agencies/banks to the State Government online through the Director, Textile, Government of Maharashtra.
- Financial institutions will be provided user ID and password for filing up the information online.

Technology Upgradation Fund Scheme

Login :	<input type="text"/>
Password :	<input type="password"/>
<input type="submit" value="Submit"/>	

This portal is for lending agencies only.
Individual units required to approach their respective lending agencies for obtaining unique ID number.



Other terms and conditions

- Projects which are eligible under this scheme shall be viable. Other condition shall be according to the current criteria of the Banks.
- Units having a good history and performing assets will be eligible.
- Units concerned are required to ensure that working capital will be available.
- Government Resolution in respect of the centrally sponsored TUFS scheme will apply to this scheme.

- A new accounts head will be opened with the concurrence of the Accountant General and the Government for making a budgetary provision for the said scheme.



THANK
you