

Providing capital subsidy under State
Textile Policy 2011-17 to Self- Financed
Textile Projects.

Government of Maharashtra

Department of Co-operation, Marketing and Textile
Government Resolution No. : Policy2015/C.R. 151/Text-5
Mantralaya , Mumbai 400 032
Dated- 2 December, 2015

Read:

- 1) Government Resolution No. 2011/C.R. 335/Text-2 dated 2nd January, 2012.
- 2) Government Resolution No. 2012/C.R. 1/Text-2 dated 1st March, 2012.
- 3) Government Resolution No. 2012/C.R. 2/Text-2 dated 1st March, 2012.

Introduction -

The new textile policy of the Government of Maharashtra has been announced by the Government Resolution under reference No. 1 above. The government has introduced interest subsidy scheme linked to long-term loans by the Government Resolution under reference No. 2 above and 10% capital subsidy to new textile Units as well as expansion of existing textile units set up in Marathwada, Vidarbha and North Maharashtra by the Government Resolution under reference No. 3 above. At present, , interest subvention and capital subsidy under the State's textile policy is credit linked with long term loan sanctioned by Financial Institutions/banks to textile units in the State. Thus only those textile projects which have been sanctioned long term loan by the Financial Institutions/banks are eligible for financial assistance under new textile policy of the State. Those textile units which have self-financed their projects without availing bank loans are not eligible for financial assistance. Therefore a proposal for grant of financial assistance to self-financed textile projects under the State's Textile was under consideration of the Government .

Government Resolution:- Taking into consideration the information given in the introduction, the Government hereby accords its approval to the grant of financial assistance to the Self -financed Textile Projects under the State's Textile Policy.

2. Under the state textile Policy Self -Financed Textile Projects shall be eligible for the following type of capital subsidy.

Sr. No.	Textile Units	Proposed rate of Capital subsidy
1	Spinning Mills, Garmenting, Ginning-Process and Processing	35% of the Eligible Amount
2	Technical Textiles, Composite Units	30% of the Eligible Amount
3	Other Textile Units	25% of the Eligible Amount

3. In addition to the above, New textile projects and expansion projects in cotton growing regions of the State viz. Marathwada, Vidarbha and North Maharashtra shall be entitled for additional 10% Capital Subsidy on the eligible subsidy.

4. The procedure for grant of Capital Subsidy to Self -Financed Textile Projects will be as under :

- 1) **Eligible Self-financed Textile Projects** : Those self-financed textile projects, where orders for purchase of machinery have been placed after the date of issuance of this Government Resolution and the actual production has commenced thereafter, will be eligible for capital subsidy.
- 2) **Appraisal of Self-Financed Textile Projects** : Appraisal of the self financed textile projects for grant of capital subsidy , shall be undertaken by SICOM or any Nationalized bank . For this purpose, the concerned unit shall make application to SICOM or the Nationalized Banks.
- 3) The committee formed under the Chairmanship of Secretary/Principal Secretary/ Additional Chief Secretary(Textile), vide Govt Resolution No. Policy-2012/C.R. 257/TEX-2 dt 21/2/2014 shall take decision for grant of capital subsidy to Self Financed Textile Projects.
- 4) **Technical criteria for the Project Approval:** Technical criteria(e.g.type of eligible machinery etc.) laid under Central Govt sponsored TUFS shall be the criteria for self -financed textile projects. The criteria shall be verified by SICOM or Nationalized Banks.
- 5) **Admissible capital subsidy:** The capital subsidy for self-financed projects, will be admissible on the eligible amount determined by SICOM or Nationalized Banks as per TUFS guidelines.

5. Procedure for release of subsidy-

5.1 Capital subsidy in respect of self- financed textile projects established in cotton growing regions viz Vidarbha, Marathwada and North Maharashtra will be released in seven annual installments as under.

a. First installment: 15% of the admissible subsidy after completion and commissioning of the project.

b. The balance admissible subsidy will be given in six equal annual installments, after certification by the Director of Textile that the project is in operation.

5.2. Capital subsidy in respect of self-financed textile projects established outside cotton growing regions viz Vidarbha, Marathwada and North Maharashtra will be released in seven equal annual installments as under:

a. First installment after completion and commissioning of the project.

b. The balance admissible subsidy will be given in six equal annual installments, after certification by the Director Textile, that the project is in operation,.

6. A separate budget head with the approval of Accountant General and the Government will be opened for the purpose of budgetary provision.

7. Guidelines for submission of proposals by self-financed textile projects under State textile Policy 2011-17 are being issued separately.

8. This Government Resolution is issued with the concurrence of the Planning Department and with the approval of Finance Department by their unofficial reference No. 329/15/Exp.3 dated 24/7/2015.

9. This Government Resolution is digitally signed and is uploaded on the website www.maharashtra.gov.in under code no 201512021208168602.

By order and in the name of the Honourable Governor of Maharashtra.

Sd/-

(D.A.Kulkarni)

Deputy Secretary to Government of Maharashtra