

F.No. 10/1/2013 – A&MMT
Government of India
Ministry of Textiles

Udyog Bhawan, New Delhi
Dated: 20th August, 2015

OFFICE MEMORANDUM

Subject: Government order on “Scheme for Research and Development for the Textiles Industry including Jute” for a period of five years from 2014-15 to 2018-19

1. Components/objectives under the Scheme:

The scheme has been designed with three major components with objectives as under:

Component-I: Research and Development projects to be undertaken by reputed research agencies including TRAs, research laboratories, universities, industry associations, etc engaged in research in the textiles and allied sector (Total Outlay – Rs. 50 crore)

Objectives:

R&D work does not give immediate financial yield, but it is imperative to ensure that the textile industry in India keeps pace with ever changing technology and processes. The key objective of this component is to

- Ensure market-driven research in collaboration with the industry through encouraging contract research projects.
- Development of new products and processes.
- The area of research and development will cover basic and applied research in all areas of textiles value chain and especially in the frontier areas such as technical textiles.
- This component also envisages scaling up/commercializing developed technologies to bring innovative products/processes to the market for opening up new business opportunities in emerging technology areas.
- Commercialization of technology to ensure that the R&D efforts are targeted towards technology development that is relevant and necessary for sector and industry growth.



Component-II: Promotion of R&D in jute sector; transfer of technologies and dissemination activities in jute sector (Total Outlay – Rs. 80 crore)

Jute is an eco-friendly natural fibre produced only in few countries in the world and India is one of the largest producers of the fibre. However, development of jute as a mainstream fibre in the textile industry and jute diversified products lags behind due to various factors, including lack of adequate R&D for product development and diversification and investment. It is therefore, necessary to sustain R&D initiatives in the Jute sector through continuing innovations and market oriented research, as well as transfer of technologies so developed through developmental and dissemination programmes to reap the benefits that have arisen from the initiatives in the past.

Objectives: The objectives of this component in the scheme is to

- Promote R&D efforts for increasing the use of jute in more diversified applications, specifically where the jute will be used in bulk.
- Promoting use of jute for jute-geo-textiles, jute-agrotextiles, technical textiles, for making paper pulp, for developing jute composites for use in automobiles and other sectors, for developing jute particle boards, etc. will be the thrust of the R&D efforts during the period 2014-15 to 2018-19.
- Some of the technological and engineering developments (such as woolenisation, blends, fine yarn, aromatic fabrics, fire retardant and water proof fabrics, etc.) already achieved in other textiles applications will be duly re-engineered through further R&D efforts for adaptation in Jute.
- Transfer of technologies developed and industrial/field demonstration for technology adoption.

Component-III: Benchmarking studies, knowledge dissemination and promoting green initiatives through R&D (Total Outlay – Rs. 15 crore)

The textile industry accounts for considerable resource utilization in the form of water, electricity, fuel and other natural resources in the process of production. There is also a problem of pollutants, particularly in the form of effluents and chemical discharge in the processing and dyeing industry. A major gap in addressing the challenges of optimal utilization of resources and a sustainable growth of the industry is the absence of a duly accredited benchmarking system based on international/domestic best practices.

Objective: The objectives of this component of the scheme is to

- To undertake research studies to create industry standards and benchmarks and identify and document steps to attain suitable benchmarks and ensure that

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industry is able to implement green initiatives.

- Dissemination and training programmes to sensitize individual units on the benchmarks so created; and

Assist accreditation for units which achieve such benchmarks to help them to achieve competitiveness and get better national international acceptability.

2. Implementing Agency and Nodal Officer:

- (i) Office of Textile Commissioner will be the implementing agency for Component I and III and Office of Jute Commissioner will act as the Implementing Agency for Component II.
- (ii) Textiles Commissioner in the rank of Additional Secretary/Joint Secretary to Government of India will be the nodal officer directly in charge for all R&D activities and Office of Textile Commissioner will be the implementing agency for Component I and III. Jute Commissioner at the rank of Joint Secretary to Government of India will be the nodal officer directly in charge for all Jute and allied Jute R&D activities under Component II.

3. Method of Submission of Project Proposal:

- (i) The Implementing agencies viz. Office of Textile Commissioner for Component I and III and Office of Jute Commissioner for Component II would invite the eligible agencies to submit Project Proposals through publication of advertisement in leading national dailies, website of MoT and the Implementing Agencies.
- (ii) The Project Proposal would have be prepared and submitted according to the format prescribed for application, objective, capital expenditure and manpower (Annexure – I), to facilitate quick processing. Incomplete application forms would not be considered.

4. Agencies / Institutes / Organizations eligible for support:

Reputed research agencies including TRAs, Universities, Industry Associations, government approved research centres such IITs/government aided institutions/recognized engineering colleges / institutions approved by DST / DSIR *etc.* would be eligible to submit Project Proposals.

5. Method of Selection of Project and Agencies:

The Project Proposals would be appraised by the PAMC (Project Appraisal and Monitoring Committee) which shall forward its recommendations to the Project Approval Committee (PAC). The compositions of the PAC, PAMC and Empowered



Committee(EC) including their respective TORs are enclosed (Annexure – II). While making appraisal of the Project Proposals, the PAMC shall identify, prioritize the thrust areas for research and indicate the same in the advertisement as per point 3 above. It shall also satisfy itself that there is no duplication of Projects / Research efforts while recommending the proposals to PAC. Past performance of the institution, originality of research, commercial potential, commercialization tie ups would all form part of the criteria for acceptance of any Project Proposal for funding support. The Project Proposal must classify whether the project is for developing a new standard or for the modification of an existing one. It should also state if the product or process developed is patentable.

6. Eligible Fund support

- (i) In cases of projects involving **applied research**, the support will be maximum upto of 70% of the total project cost and the balance would have to be arranged by the respective Project Executing Agency/Institution from the industry or its own resources, which would have to be tied up and clearly indicated at the time of submission of Project Proposal. This would ensure that research is directed towards areas required by the industry. If a part or whole of the contribution of the agency is in kind, that should be monetized and included in the project cost.
- (ii) For projects involving **basic research**, the PAMC can recommend up to 100% funding, on a case to case basis with strong justification.

7. Components eligible for funding

The project cost shall be booked under the following heads:

Capital Expenditure: Expenses should include cost of machineries, instruments, pilot plant *etc.* but shall not include cost of land or buildings or furniture, air-conditioner machines *etc.* The expenditure under this head shall not exceed 30% of total project cost.

Salaries and Wages: Salary and Wages of personnel engaged on contract for the project but shall not include the salaries of Principal or Associate Investigator or any scientist or staff on regular employment of the institution. Wages and pay of scientists and staff engaged specifically for the project can be charged to the project cost.

Consultancy: Any expenditure on consultancy services including cost of testing in other laboratories *etc.* can be charged to the project.

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Consumables: Cost of fabrication of components, cost of reagents, computer consumables *etc.* can be charged to this head.

Promotion/Proof of Concept: Projects would required to be commercialized ultimately. Expenses for demonstrating the development including pilot plant *etc.* can be included under this head. Expenses for preparation of standards, filing for patents *etc.* can be charged to this head.

Overheads and Travelling Expenses: The expenditure under this head should not exceed 20% of the total project cost.

Others: Expenses towards any other item would be admissible on merits.

Note:

8. Terms & Conditions

- (i) At the time of appraising the project, Project Appraisal and Monitoring Committee (PAMC) would give a clear recommendation on each of the proposed components and specify the quantum therein.
- (ii) PAC constituted for this purpose shall decide the funding for individual projects on the basis of the project appraisal and recommendations of the PAMC.
- (iii) In case of Machinery development projects, the contribution of the MoT shall be treated as equity share in the SPV formed for the same.

9. Release of Funds and Evaluation:

9.1 Payments shall be made in five installments:

- 1st installment of 35% on inception of the project.
- 2nd and 3rd installment of 20% each on achieving specified milestone(s). The milestones would have to be clearly described in the Project Proposal and would be finalized by the PAMC/PAC.
- 4th and final installment of balance 25% shall be released after successful transfer of technology. This would involve, at the minimum, identification of an institution who would commercialize the development and signing of a Technology Transfer Agreement with it.
- Only for the 1st and final instalment proposal would need the approval of PAC. Rest of the instalment proposals may be decided by the PAMC.

9.2 The fund will be released to the research institute/ agency on pro-rata basis along with the



unit's contribution. The grantee i.e. the research institute/agency etc. shall make all the payments out of the grants received from the scheme through RTGS mode only and the documentary proof have to be submitted before the release of next instalment.

9.3 Any request for release of the next grant should be accompanied by the following documents:

- a) Utilization Certificate and Statement of Expenditure for the previous financial year (in original or copy if sent earlier);
- b) Latest authenticated statement of Expenditure including Committed Expenditure, for expenditure since 1st April of that financial year till the previous month; and
- c) Progress Report.

9.4 The research agency will maintain separate audited accounts for the project. Any interest earned should be reported to this office and should be reflected in the Statement of Expenditure.

9.5 All the assets acquired from the grant will be the property of Government of India and should not be disposed off or encumbered without the prior sanction of Ministry of Textiles/Office of the Textile Commissioner/Office of Jute Commissioner.

9.6 After completion/termination of the project, the Government of India will be free to sell or otherwise dispose off the assets which are the property of the Government. The Institute shall render to the Government necessary facilities for arranging the sale of these assets. The Government of India also has the discretion to gift the assets to the Institute or transfer them to any other Institute if it is considered appropriate and justified.

9.7 MoT/Office of the Textile Commissioner/ Office of Jute Commissioner reserves the right to terminate the project at any stage if it is convinced that the grant has not been properly utilized or appropriate progress is not being made.

9.8 The Comptroller & Auditor General of India, at his discretion, shall have the right of access to the books and accounts of the Research agency maintained in respect of the grant received from the Government of India.

9.9 In addition, MoT/Office of the Textile Commissioner/ Office of Jute Commissioner may designate Scientist/ Specialist or an Expert Panel to visit the Institute periodically to review the progress of the work being carried out and to suggest suitable measures to ensure realization of the objectives of the project. The implementing Institute will provide all facilities to the visiting scientist/ specialist or the Expert Panel by way of accommodation etc. at the time of their visit.

9.10 On completion of the project, the research agency & unit should send the following documents to this Office:

- a) Project Completion Report as per Annex IV



- b) Consolidated audited statement of expenditure and utilization certificates;
- c) List of assets/ equipment as per Annex V
- d) DD/ cheque for any un-spent amount with the Institute.

10. Monitoring:

- (i) The PAMC would monitor the progress of each approved project under this scheme. The PAMC would monitor the progress of each project at least once a quarter. The format of monitoring is enclosed in the Annexure – III.
- (ii) Monitoring shall be done strictly as per the milestones accepted in the project proposal and the activities listed by the Research Institution. Payments in installments will be released by the Implementation Agency (IA) based on the recommendations of the PAMC and approval of the PAC wherever applicable against approved milestones of both Technical and Financial parameters, as delineated in the Monitoring format. Any deviations from the accepted milestones have to be justified by the Research Institution and accepted by the PAMC before funds are released.

11. IPR and other related rights:

- (i) The applied research projects should result in creation of IPRs/Patents to the extent possible. The IPRs should vest with the funding agency. In case of Industry Sponsored Projects, the IPR shall be co-owned by the Industry and the Funding Agency.
- (iii) In order to ensure sustainability and commercial viability of the research efforts, the Industry partner/partners who have contributed 30% of the Project cost may be given some special rights such as exclusive use of the technology/processes/products developed through the research for a fixed period; and/or use of the technology/processes/products developed at a special discounted rate *etc.* This would be pre-negotiated between the Research Institution and the industry partner at the time of project formulation.
- (iii) Upfront payment for technology transfer and royalty on IPR received by the funding agency may be utilized for future R&D schemes to be taken up by them. The quantum of upfront payment and royalty may be decided at the time of technology transfer.

12. Deliverable:

The deliverables of the project at different milestones are to be identified in



qualitative and quantitative terms. Mode and manner of delivery are to be specified in the project proposal.

13. Commercialization

Pilot scale commercialization of the project / outcome of the project shall be the task of the TRA/Research Institution and the same should be a part of the deliverables/milestones which are to be submitted along with the proposal. Equipments for the pilot scale commercialization are to be transferred to the agency / commercial partner which shall take up full scale commercialization of the project. Holding seminars, dissemination workshops and conferences shall be the task of the TRA/Research Institution. Transfer of technology to the prospective investor and its hand holding till the commercial production starts shall also be the responsibility of the TRA. Cost component of the full scale commercialization of the project will be considered under the separate scheme on commercialization.



(R.K.Vashisht)

Under Secretary to the Government of India

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To

1. Textile Commissioner, Mumbai
2. Jute Commissioner, Kolkata
3. Shri Devender Singh, Adviser, Niti Ayog, New Delhi
4. Secretary, Department of Expenditure, North Block, New Delhi
5. Deputy Secretary (IFW), Ministry of Textiles
6. Secretary, National Jute Board, Kolkata
7. Director of all TRAs

Copy to:

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