

Integrated Processing Development Scheme (IPDS)

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About Integrated Processing Development Scheme (IPDS)

It was launched to address problems faced by the textile processing industry. IPDS was designed to counter challenges such as non-availability of water for processing and environmental pollution caused by the discharge of untreated effluents.

Objectives of the scheme

- The primary objective of the IPDS is to facilitate the textile industry to become globally competitive using environmentally friendly processing standards and technology.
- To promote the textile sector so that it becomes competent on a global level
- To help textile processing units to meet environmental standards fixed by various agencies of the government.
- To encourage Research & Development (R&D) activities geared towards innovative and clean technology.
- To create new processing parks and upgrade existing ones for better productivity.

Key features

- Under IPDS, parks will be developed with common facilities such as effluent treatment plants and water supply systems that can be used by clusters of processing units.
- The IPDS would create new processing parks as well as support the upgradation of existing processing clusters specifically in the area of water and waste water management as also to promote research and development

- for a cleaner technology in the processing sector.
- The scheme would facilitate the textile units to meet the required environmental standards.

Scope of the scheme

IPDS proposes to establish 4-6 Brown field and 3-5 Green field projects addressing the needs of the existing Textile/Clusters. Eligible projects under the scheme would cover the following:

- Group A – Water treatment & effluent treatment plant and technology (including marine, Riverine and ZLD).
- Group B – Common infrastructure such as captive power generation plants on technology preferably renewable/green technology
- Group C – Common facilities such as Testing Laboratories and R&D centres.

Implementation:

The Project would be implemented through formation of a separate Special Purpose Vehicles (SPVs) which will be a Corporate Body registered under the Companies Act. The SPV shall be owned by the members (Industrial Units) of the processing park, Financial Institutions, State and Central Government. The SPV shall have operational autonomy to implement the scheme, within the guidelines as stipulated by Government of India.

Funding Pattern

The Special Purpose Vehicle shall fund the project through a mix of equity from members of industry, grant support from the Ministry of Textile / State Government, and the loan from Banks and Financial Institutions. The Government of India support under the scheme by the way of grant would be limited to 50% of the project cost, with a ceiling of Rs.75 crores for projects with Zero Liquid Discharge Systems and Rs.10 crores

for projects with conventional treatment systems. Support for marine discharge projects would be analysed on a case to case basis with a maximum ceiling of Rs.75 crores.

The project cost shall be borne by the Center, State, Beneficiary, Bank loan in the ratio of 50:25:15:10 respectively. The release will be made as per the following:

- Beneficiary contribution through equity of 15 percent of project cost shall be brought up front
- 10 percent funding to be arranged through Bank Loans 25 percent contribution of State Government at the time of release of 2nd installment of GOI Grant released.
- The GOI grant (50% of the total Project cost) shall be released in 3 installments –
 - 50 percent of the GOI grant to be released initially after beneficiary contribution (1st installment)
 - 30 percent of the GOI grant once the plant is operational (2nd installment)
 - 20 percent GOI grant once the plant has been run for 3 years (3rd installment)