

ANNEXURE – II

GUIDELINES FOR PROVIDING FINANCIAL ASSISTANCE FOR RESOURCE EFFICIENCY AUDITS AND RESOURCE CONSERVATION IN TEXTILE AND APPAREL UNITS

(1.) Background

Tamil Nadu holds a prominent position in India's textile industry, accounting for a significant share of the country's spinning, weaving, and garmenting capacities. Resource (water, energy, chemicals, waste and wastewater) efficiency is the key to a sustainable and cost-effective growth for any textile and apparel manufacturing firm. Resource efficiency follows the first R of REDUCE, REUSE and RECYCLE.

As part of ongoing sustainability initiatives across the global textile industry, manufacturing firms are hiring resource efficiency experts to carry out a walk-through audit of their manufacturing facilities. These audits are targeted at measuring the baseline levels of resource consumption, benchmarking with international standards, identification of gaps and suggesting corrective actions to reduce the resource consumption levels.

To promote sustainable industrial development and support Tamil Nadu's emergence as a globally competitive textile hub, it is imperative to support the Textile sector in conducting such audits in their factories.

(2.) Objectives

The primary objectives of this scheme are to:

- To assist industries in identifying and implementing cleaner production opportunities by subsidizing expert walk-through audits focused on energy, water, chemicals, waste, and wastewater management.
- To encourage textile and apparel units to adopt environmentally sustainable and resource-efficient practices through implementation of conservation technologies.
- To support the reduction of energy and water consumption, thereby improving operational efficiency and lowering the carbon footprint of textile and apparel manufacturing.
- To align with national and international commitments on climate change, water conservation, and sustainable industrial development.

(3.) Scope of the Scheme

The Scheme supports

- Conducting walk-through audits for cleaner production assessments for various resources (energy, chemical, water etc.), waste and waste water.
- Procurement of equipment for resource conservation in Textile & Apparel units.

The scheme covers both MSMEs and larger enterprises, aiming to adopt resource-efficient practices.

(4.) Eligibility Criteria

4.1 General Eligibility Criteria

- i. The textile and apparel units having production facility inside Tamil Nadu.
- ii. The unit shall be a registered business entity (Proprietorship, Partnership, LLP etc.,)
- iii. The unit shall possess necessary environmental approvals (Consent to Establish / Operate) from Tamil Nadu Pollution Control Board (TNPCB)
- iv. The unit shall not receive similar assistance under any other State or Union Government scheme for the same purpose.

4.2 Additional Eligibility for Audit Component

All existing eligible textile and apparel manufacturing unit which are undertaking Resource Efficiency Audit for the first time or after 3 years of previous audit.

4.3 Additional Eligibility for equipment Component

- i. The eligible units which have undertaken resource efficiency audit and have achieved atleast 10% savings by adopting the recommendation from the audit in the resources like energy, chemicals, water etc., in terms of consumption per unit of production with reference to the last 12 months average.
- ii. The eligible units which have undertaken resource efficiency audit and have achieved atleast 10% reduction in waste and waste water generated by adopting the recommendation from the audit in quantifiable

terms of consumption per unit of production with reference to the last 12 months average.

(5.) Eligible Component for Financial Assistance

5.1 Audit Component:

- i. The expenditure incurred towards professional charges for conducting the Cleaner Production Assessment / Resource Efficiency Audit for various resources like energy, water, chemicals etc.,
- ii. The audit must be conducted by the auditing firms/auditors, certified/accredited by Bureau of Energy Efficiency / HIGG FEM (HIGG Facility Environmental Module) for energy and other resources respectively.
- iii. The final report shall contain specific recommendations along with quantitative and qualitative details and outlay, projections of resource savings, cost savings, payback period etc., upon implementation.

5.2 Equipment Component:

- i. Cost of Technology acquired for resource savings.
- ii. Cost of replacement of equipment for resource conservation and waste reduction and cost of machinery/accessories newly purchased for the purpose.
- iii. Cost of modification / alteration made in the existing machinery / equipment / retrofit equipment for resource conservation and waste reduction.
- iv. All the expenditure made after the Resource efficiency audit alone will be considered.

(6.) Financial Assistance

The following financial assistance will be provided for the eligible units

- i. Financial assistance up to 50% of the cost of the walk-through audit, subject to a maximum ceiling of Rs.3.00 lakh per unit will be provided to the units across the Textile and Apparel value chain for organizing basic cleaner production assessment by energy, water, chemicals, waste and wastewater experts.
- ii. Financial assistance up to 25% of the cost of equipment required for energy and water conservation as per the recommendation of above audit, subject to a maximum of Rs.10.00 lakh will be provided.

Each unit can apply for multiple audits and implementation of recommendations of audit, but the total cumulative assistance shall not exceed the maximum limit.

(7.) Operational guidelines

7.1 Submission of Proposal

Eligible units shall submit their proposal in the prescribed format through the Single Window Online Portal, <https://tntextiles.tn.gov.in>, with all the relevant supporting documents within the following time limit.

- i. For obtaining assistance for conducting resource efficiency audit, within one year from the date of completion of audit.
- ii. For obtaining assistance for implementation of the audit recommendations, three months after the date of implementation of the recommendation. The upper limit for submission of claims is within one year from the date of implementation of the recommendation or within two years from the date of audit conducted whichever is earlier.

7.2 Preliminary Scrutiny by Regional Deputy Director

- i. After the receipt of application, the proposal will be scrutinized based on the eligibility criteria and other terms and conditions mentioned in the guidelines by the Regional Deputy Directors (RDD) concerned.
- ii. The documents verification and field inspection will also be carried out by the RDD to verify the audit completion / equipment installation as claimed by the units.
- iii. Upon verification, the RDD concerned shall submit their recommendation along with their Inspection Report to the Directorate of Textiles via the online portal within 15 days from the date of receipt of the application.

7.3 Technical Evaluation Committee

- i. The proposals recommended by the RDD will be placed before the Technical Evaluation Committee (TEC) constituted with the following members for evaluation and approval.

1.	Director of Textiles	Chairman
2.	Joint Director (Textile) O/o. Director of Textiles, Chennai	Convener
3.	Financial Advisor/Chief Accounts Officer, O/o. Director of Textiles, Chennai	Member
4.	Joint Secretary to Government, Handlooms, Handicrafts, Textiles and Khadi Department, Chennai	Member
5.	Representative, (not below the cadre of Joint Director) MSME / Industries Department, Chennai.	Member
6.	Representative Tamil Nadu Pollution Control Board (TNPCB), Chennai(Industrial Expert)	Member
7.	Director, South India Textile Research Association, Coimbatore (Industrial Expert).	Member

- ii. The Technical Evaluation Committee (TEC) will be convened every 3 months to peruse the proposals recommended by the Regional Deputy Directors.
- iii. The Committee shall assess the following:
 - a. Eligibility of the unit, Compliance status and supporting documentation.
 - b. Potential Resource Savings
- iv. Any clarifications sought by the Department related to the application shall be communicated to the applicant through the dashboard on the Portal.
- v. The Technical Evaluation Committee (TEC) will approve the proposal on satisfactory examination and the eligible subsidy amount shall be sanctioned and disbursed subsequently.

(8.) Release of funds

The sanctioned amount will be disbursed on a reimbursement basis after the submission of proof of expenditure, audit reports duly certified by the auditors (in case of conducting resource efficiency audit), and commissioning certificates (in case of purchase and installation of recommended equipments).

(9.) Other Terms and Conditions

- i. The units can avail the assistance for multiple times for conducting audits and implementation of recommendations of audit. However, the cumulative financial assistance will be restricted to a maximum of Rs.3 lakhs per unit and Rs.10 lakhs per unit respectively under this scheme.
- ii. The percentage savings in resources or reduction in waste shall be reckoned on twelve-month average before implementation of audit recommendations and a minimum of three-month average after the implementation of audit recommendation.
- iii. Units having more than one manufacturing facility at different location can avail of this assistance separately for each unit.
- iv. There should be a gap of minimum of three years between the previous resource efficiency audit and subsequent audit i.e., present resource efficiency audit.
- v. For investments made on equipment / machinery, only the basic cost of brand new equipment / machineries purchased directly from the manufacturers or their authorized agents alone shall be considered.
- vi. False information leading to subsidy claims will result in repayment with interest.
- vii. If it is found that the unit has not complied with the terms and conditions mentioned in the guidelines, the Director of Textiles shall have the right to recover the subsidy along with accrued interest thereon and also levy 10% penal interest to the unit.
- viii. The units availing the assistance under this scheme will not be able to avail benefits for the same component offered under the existing scheme of Tamil Nadu MSME Policy 2021 and Tamil Nadu Industrial Policy 2021, based on their industry classification (MSME and Non MSME).
- ix. All the units shall have a Permanent Account Number (PAN)/Goods and Services Tax Number (GSTIN) and should regularly file returns.

(10.) Interpretations

In case any interpretation or clarification is required under this scheme that shall be done by Department of Textiles or Secretary to Government, Handlooms, Handicrafts, Textile and Khadi Department, Government of Tamil Nadu whose decision shall be final in this regard.

(11.) General

All legal disputes shall fall under the jurisdiction of Chennai

V. AMUTHAVALLI
SECRETARY TO GOVERNMENT

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Section Officer

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13/8/25