

# Schemes for Assistance to Textile & Apparel sector

**Government of Gujarat  
Industries & Mines Department  
Resolution No. PLM/102004/1047/T  
Sachivalaya, Gandhinagar  
Dated: 27/2/2009**

## **Read:**

1. Industries and Mines Department's GR No. APN-102007-490398-I dated 4.3.2008. (Task Committee for Textile and Apparel)
2. Industries and Mines Department's GR No. PLM-1095/GOI-33-T, dtd.24.12.2003
3. Resolution No. BJT-10-2003-1428-T, dtd.25.05.2004
4. Resolution No. ATS-102004 –1802-T, dtd.24.11.2004
5. Industries and Mines Department's G.R. No BJT-102003 –1428-T, dated 16.09.2005
6. Resolution No. TEX-10-2006-1161-T, dtd. 20.01.2007
7. Industries and Mines Department's GR No. PLM-102006-2149-T dated 15.10.2007
8. Industrial Policy, 2009.

## **1.0 Preamble:**

Textile Industry has its unique position as a self-reliant industry, from the production of raw materials to fabric and Garment and has a major contribution to the economy of Gujarat.

Gujarat is a leading textile state in the country. The state contributes over 33% of mill-made fabric and 25% of power-loom fabric of the country. Textile also accounts for about 21% of total employment in the industrial sector of the state...

Considering the huge potential in this sector, both in terms of investment and employment generation, Government of Gujarat intends to promote entire textile value chain from farm to fibre to fabric to fashion and foreign trade. The state has identified certain sectors like Cotton spinning, Knitting and Machine Carpeting as the missing gaps in whole value chain, and also new areas like Technical and Industrial textile to achieve more and more value addition.

Accordingly, in super session of the Government Resolution referred to at 2 to 6 above, and in view of the initiatives and strategies envisaged in the Industrial Policy, 2009 Government is pleased to introduce various schemes for Textile / Apparel sector as under:-

## **2.0 Resolution**

Looking to the opportunities for cotton spinning, knitting, apparel and machine carpeting both for domestic and international market, the Industrial Policy 2009 provides for extending support to promote all these sectors with an integrated approach for the over all development of textile industry in Gujarat. The

Government has therefore decided to introduce the following schemes with a strategic thrust on:

- Technological upgradation
- Quality Consciousness
- Product Diversification
- Increase in exports and innovative marketing strategies
- Maximising employment opportunities
- Integrated Human Resource Development

### **3.0 Operative period of the scheme**

The scheme will come into operation from the date of issue of this GR and shall remain in force for five years. Only those enterprises which complete and make operational fully their projects during the operative period shall be eligible for benefit mentioned under the respective scheme, as applicable.

### **4.0 Definitions**

#### **4.1 New Enterprise**

New Enterprise means the enterprise which commences commercial production/ service during the operative period of this scheme and has obtained acknowledgement of filing Entrepreneur's Memorandum (EM) with the concerned District Industries Center (DIC) or Industrial Entrepreneur's Memorandum (IEM) with Government of India.

#### **4.2 Existing Enterprise**

The Existing Enterprise means the enterprise which has filed EM with the concerned DIC or IEM with Gol and is implementing expansion/ diversification/ modernization in the project for carrying out activity indicated in this resolution.

#### **4.3 Expansion or Diversification**

Existing enterprise taking up expansion or diversification with investment more than 50% of its existing gross fixed capital investment as on date of initiating expansion/ diversification and commencing production of said expansion/ diversification during the operative period of the scheme shall be treated as Expansion or Diversification.

#### **4.4 Gross Fixed Capital Investment**

Gross fixed capital investment means investment in fixed capital viz. Land, Building, Plant & Machinery before it commences expansion/ diversification/ modernization and/ or it obtains sanction of financial assistance from Banks /Financial Institutions.

## **4.5 Eligible Fixed Capital Investment:**

Eligible fixed capital investment means the capital investment made in the fixed assets viz. Land, Building, Plant & Machinery, Utilities, etc. excluding pre-operative expenses.

## **4.6 TUF Scheme**

The TUF scheme means the Technology Upgradation Fund Scheme as notified by Government of India and amended from time to time regarding eligible machineries under the scheme.

## **5.0 Scheme – 1: Interest Subsidy**

### **5.1 The Scheme**

The scheme will be known as Financial assistance by way of credit linked Interest Subsidy in Spinning, Weaving, Knitting, Apparel and Machine Carpeting.

### **5.2 Eligible Activities**

#### **5.2.1 Spinning**

Minimum size of each cotton/ synthetic blended new spinning unit should be of 5,000 spindles. In case of expansion, it should be of additional 5,000 spindles.

#### **5.2.2 Weaving (Powerloom)**

Investment in plant & machineries as specified in the updated list of textile machinery under T.U.F. Scheme of Government of India.

#### **5.2.3 Knitting, Apparel & Machine Carpeting**

Minimum investment should be Rs. 5 crores in plant and machineries.

### **5.3 Quantum of Assistance**

- (i) Interest subsidy will be available for establishing new enterprises or for expansion/ diversification and modernization of existing enterprises and only for the investment in new and modern plant and machinery.
- (ii) For the purpose of interest subsidy, the enterprise shall get term loan from Financial Institution/ Bank recognized by Reserve Bank of India.
- (iii) The enterprise applying within one year of loan disbursement will be eligible.
- (iv) Disbursement of the loan should be within the operative period of the Scheme.

- (v) The enterprise must start commercial operation within the operative period of the scheme.
- (vi) Maximum interest subsidy at the rate of 5% per annum, limited to maximum of Rs. 30 lakhs (for Spinning maximum of Rs.40 lakhs) per annum, will be available to the enterprise. This interest subsidy will be in addition to any other incentives available from other schemes of Government of India.
- (vii) The interest subsidy will be available only on interest levied by the Financial Institution. Penal interest or other charges will not be reimbursed.
- (viii) The interest subsidy will be for five years OR for the period of repayment of loan whichever is earlier.
- (ix) The interest subsidy will be given to the enterprise which pays regular installments and interest to the financial institutions. If the enterprise becomes defaulter, it will not get interest subsidy for the default period and such defaulting period will be deducted from 5 years period.

## **6.0 Scheme - 2: Interest Subsidy in Technical Textiles**

### **6.1 The Scheme**

The scheme will be known as Credit linked interest Subsidy in Technical Textiles.

### **6.2 Eligible Activities**

- (i) Technical Textiles are defined as textile materials and products used primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics. Depending on the product characteristics, functional requirements and end-use applications, the highly diversified range of technical textiles have been grouped into 13 sectors application-wise.

1. Agrotech (Agriculture, Horticulture and Forestry)
2. Buildtech (Building and Construction)
3. Clothtech (Technical components of shoes and clothing)
4. Geotech (Geo-textiles and Civil Engineering)
5. Hometech (Components of furniture, household textiles and floor coverings)
6. Indutech (Filtration, cleaning and other industrial usage)
7. Meditech (Hygiene and Medical)
8. Mobiltech (Automobiles, Shipping, Railways and Aerospace)
9. Oekotech (Environmental Protection)
10. Packtech (Packaging)
11. Protech (Personal and Property Protection)
12. Sporttech (Sport and Leisure)
13. Defebcetch (Textile for defense use)

- (ii) This Scheme will be applicable to new as well as to existing enterprise for expansion/ upgradation in above 13 sectors.
- (iii) The machinery of Technical/ Industrial textile as listed and identified under TUF scheme or compatible with TUF scheme will be considered eligible.

### **6.3 Quantum of Assistance**

The enterprise will be given interest subsidy @6% in new plant and machinery as interest linked capital subsidy limited to Rs. 125 lakhs during the operative period of the scheme. This will be in addition to any support provided by State Government and Government of India under any scheme.

## **7.0 Scheme – 3: Assistance for Technology acquisition and upgradation**

### **7.1 The Scheme**

The scheme will be known as assistance to enterprises for Technology acquisition and upgradation.

### **7.2 Eligible Activities**

- (i) The enterprise acquiring the technology for the first time in India for specialized application will be considered eligible under the scheme.
- (ii) The acquisition of technology can be in any form, including purchase of drawing and design and technology development through engaging experts/ R&D institution and/or technical consultancy firm.

### **7.3 Quantum of Assistance**

- (i) The enterprises acquiring the technology will be provided financial assistance of upto 50% of the investment for technology acquisition / collaboration, with maximum of Rs 25 lakhs per process/product once during operative period of the scheme.
- (ii) The enterprise availing the benefit for the same purpose under any other scheme of State Government will not be eligible to get benefit under this scheme.

## **8.0 Scheme - 4: Assistance to Apparel Training Institutions and Trainees**

### **8.1 The Scheme**

The scheme will be known as Assistance to Training Institutions, Training Centers, Trainers and Trainees for Apparel related production.

## **8.2 Eligible Activities & Quantum of Assistance**

### **8.2.1 Setting up of Training Institution**

- (i) Under the scheme, any autonomous institutions promoted by government/ public sector undertakings or private sector with a strong background of textile and apparel industries or skilled manpower development, which propose to set up apparel training facilities, will be provided assistance upto 85%, with ceiling of maximum of Rs 3 crore, of the project cost covering fixed capital investment in building, equipments and machinery (including installation cost), electrification, furnitures and other miscellaneous investment required for setting up training facilities, excluding land cost.
- (ii) The recurring expenditure for running the training institution has to be borne by the promoter institution.

### **8.2.2 Upgradation of facilities in Industrial Training Institutes (ITIs)**

ITIs offer different courses in apparel production as per the training scheme of All India Apprenticeship Training. These courses need to be upgraded as per the requirement of apparel industry and the training content needs to be approved by State Level Committee/ Anchor Institutions. ITIs, therefore, need additional facilities in terms of new equipments and machineries. Accordingly, ITIs will be provided need based assistance for purchase of equipments required for upgrading their existing facilities to provide training in apparel production. The assistance will be as one time grant of total cost of additional equipments required to be purchased for conducting training courses in apparel production.

### **8.2.3 Training Centers**

- (i) In Gujarat, there are large numbers of Training Centers in the form of tailoring schools, which provide training in sewing and other tailoring related activities, set up by different institutions, NGOs and private entrepreneurs and registered by Directorate of Employment & Training (DET). There is a good potential to upgrade these facilities to provide training for different skills of apparel production. This would generate large number of skilled manpower in urban and semi-urban areas of the state.
- (ii) Such training centers, which come forward to upgrade their facilities in order to make them viable apparel training centers will be provided assistance at 50%, subject to a limit of Rs. 20 lacs per center, of their investment towards purchase of equipment and machinery (including installation cost), electrification and necessary furniture. Establishment of new training centers will also be eligible for financial assistance under the scheme. The institutions/ training centers will be required to provide training as per the norms of AEPC or State Level Committee/ Anchor Institutions.

#### **8.2.4 Reimbursement of tuition fees to Trainees**

- (i) The training institutions charge tuition fees from trainees to meet their recurring expenditure, as this is the only source of income to run such institutions. The tuition fees for undertaking training in apparel production are much higher as compared to fees charged by ITIs in different skills.
- (ii) It is, therefore, necessary to provide assistance to trainees so as to enable them to pay tuition fees. The assistance will be at 50% of total fees charge by institutions, subject to a limit of up to Rs 5,000/- per trainee per course in apparel production in institutions approved by the State Level Committee. The selection of trainees will be carried out by the committee constituted by concerned General Manager (GM), DIC. The tenure of the Training, Syllabus and Tuition Fees will be prescribed by State Level Committee/ Anchor Institutions.
- (iii) However, this support will not be available to those trainees availing any other similar support provided by State Government.

#### **8.2.5 Assistance for training to Trainers**

- (i) Financial assistance, as reimbursement of training cost with maximum limit of Rs.5000/- per trainer per week, will be provided to apparel training institutions/ centers approved by State Level Committee for imparting training to the trainers
  - (a) at 100% in case of trainers attending autonomous institutions promoted by Government/Public sector undertakings and
  - (b) at 50% in case of trainers attending other institutions
- (ii) The training period should not be more than four weeks.
- (iii) The training will be conducted in the institutions approved by the State Level Committee/ Anchor Institutions.

### **9.0 Scheme - 5: Training Support to Power loom Sector**

#### **9.1 Stipend to Trainees of Power loom**

##### **9.1.1 The Scheme**

The scheme will be known as assistance by way of stipend to trainees of Power loom training centers operated by ATIRA at Ahmedabad & Dholka and by MANTRA at Pandesara, Katargam and Sachin at Surat.

##### **9.1.2 Eligible activities**

The fresh trainees of Power loom training centers operated by ATIRA at Ahmedabad & Dholka and by MANTRA at Pandesara & Sachin at Surat will be considered eligible for stipend.

### **9.1.3 Quantum of Assistance:**

Trainees will be given stipend of Rs.1500/- per month for the period of three months. The trainees for the batches of weavers and jobbers under GR dated 15.10.2007 mentioned at preamble (7) will also eligible for the stipend for Rs. 1500 per month.

## **9.2 Assistance for advanced training to Power loom owner/ jobber and worker**

### **9.2.1 The Scheme**

The scheme will be known as assistance for advanced training to power loom owner/ jobber and worker to upgrade skills to work on Auto looms, High speed auto looms and Shuttleless looms and to improve their working style, skill and behavior.

### **9.2.2 Quantum of Assistance**

The scheme will be operated through ATIRA, MANTRA and similar Institutions. Under the scheme, the following assistance will be provided:

- (i) Allowances towards cost of transport & incidental expenses to weavers @ Rs.200/- per day for duration of two days and Jobbers @ Rs.300/- per day for duration of six days. No allowances will be given to Power loom owner.
- (ii) No fees will be charged by the Institution from Weaver, jobber or Owner for providing training.

### **9.2.3 Other Conditions**

The following conditions shall apply for providing financial assistance:

- (i) Training period will be two days for weaver, six days for jobber and two days for power loom owner.
- (ii) Fees to experts, practical training, facilities for training etc. will be decided in consultation with the office of Industries Commissionerate for the each training programme. Reimbursement of actual cost for such expenditure will be given to ATIRA/ MANTRA or similar institutions as approved by State Level Committee.

## **10.0 Scheme - 6: Support for Textile & Apparel Park**

### **10.1 The Scheme**

The scheme will be known as support for setting up of following type of Textile & Apparel Park any where in Gujarat on PPP basis.



1. Apparel/Sewing Parks.
2. Weaving park for cotton/synthetic textiles
3. Exclusive Technical Textile Park
4. Exclusive Industrial Park for machine made carpets
5. Industrial Park for Textile machineries & ancillaries
6. Ginning and Pressing park

## **10.2 Scheme 6.1: Support to Private Developer**

If the private developer intends to develop a Textile and Apparel Park, it will be entitled to Viability Gap Funding scheme of Gujarat Infrastructure Development Board, as specified below.

### **10.2.1 Eligibility**

- (i) The park must have provision for the location of minimum 20 numbers of manufacturing / service enterprises.
- (ii) The park should be implemented under PPP basis i.e. developed, financed, constructed, maintained and operated by a Private Sector Company to be selected by the Government or Government agency or specified Government agency through a process of developer selection as specified in the Gujarat Infrastructure Development (GID) Act, 1999.
- (iii) The state government may provide land to the Project Special Purpose Company (SPC) on lease. The ownership of government land shall remain with Government/ its agency.

### **10.2.2 Quantum of assistance**

The park will be provided viability gap funding of upto 20% of total project cost by Gujarat Infrastructure Development Board (GIDB) as per the terms and conditions notified under G.R. No. IDB/112006/2536/I dated 25th July, 2007, amended from time to time.

## **10.3 Scheme 6.2: Support to Industries/ Industries Association**

If a group of industries or an industry association intends to develop a Textile and Apparel Park, it will be entitled to financial assistance as specified below, subject to eligibility conditions.

### **10.3.1 Eligibility**

- (i) The park must have provision for the location of minimum 20 numbers of manufacturing / service enterprises.
- (ii) The park should be implemented under PPP basis i.e. developed, financed, constructed, maintained and operated a Special Purpose

- Vehicle (SPV) consisting of government/ its agencies and group of industries/ industries association.
- (iii) The state government may provide land to the SPV on lease. The ownership of the government land shall remain with Government/ its agency.

### 10.3.2 Quantum of assistance

The park will be provided financial assistance of up to 50%, with maximum limit of Rs. 10 crore, of total project cost for establishing common infrastructure facilities, excluding land cost.

## 11.0 General Conditions

The following conditions shall apply to all the above schemes, except Scheme 6.1 specified in para 10.2:

- (i) The enterprise must start commercial operation within the operative period of the scheme.
- (ii) The enterprise availing benefit under the scheme will have to remain in production/services at least for five years from the date of commencement of commercial production/services.
- (iii) All the benefiting enterprises shall file information about annual production, sales, power consumption and such other details as may be asked by DIC on 31<sup>st</sup> of every March annually.
- (iv) For expansion/ diversification the enterprise will be entitled for incentives only once during the operative period of the scheme.
- (v) The enterprises will be eligible for any additional incentives specified under different schemes of Government of India.

## 12.0 State Level Committee

A Committee consisting of following members is constituted for sanction of assistance with respect to proposals received under the above mentioned schemes, except Scheme 6.1 specified in para 10.2.

1.	Industries Commissioner	Chairman
2.	Addl. Secretary/ JS / Dy. Secretary – Finance dept.	Member
3	Dy. Secretary (Textile) I & MD	Member
4.	Director, ATIRA	Member
5.	Director, MANTRA	Member
6.	Chairman, Surat Art Silk Cloth Manufacturers Association	Member
7.	President, Gujarat Chamber of Commerce & Industry	Member
8.	General Manager (Projects & Technology), iNDEXTb	Member
9.	Add /Jt./Dy. Commissioner of Industries	Member
		Secretary

The Committee may call Director, Employment and Training, Government of Gujarat or any expert of the field as and when it feels necessary. The Committee shall ensured the monitoring system and evaluation of all the schemes (except Scheme 6.1 specified in para 10.2.)

### **13.0 Earlier schemes**

However, the schemes operated through GRs referred to at Serial No. 2 to 6 will become non-operative from the date of issuance of this GR, anything done or any action taken including any order issued under the above referred. GRs shall be deemed to have been done, taken, issued with in the corresponding provisions of this GR.

### **14.0 Procedure**

The proposal for getting the assistance should be submitted to the respective District Industries Centre. DICs will scrutinize and forward the proposal to Industries Commissioner, who will submit before the State Level Committee for its decision. Industries Commissioner in this regard will issue the detailed procedure separately.

### **15.0 Review of the schemes**

All the schemes, under this G.R. will be reviewed after two years with reference to intended outcome, performance and financial burden.

### **16.0 Expenditure**

The expenditure on this account will be met from the sanctioned grant of the respective financial year under the following budget head:

Demand No : 49 (Plan)  
Major Head : (2852) Industries  
Sub- Major Head : 80 General  
Minor Head : 800 Other Expenditure  
Sub Head : IND-9, Development of Textile Industry  
Detailed Sub Head : / Object Head : 2852 80 800 319  
Subsidies (c) to others

This issues with the concurrence of Finance Department dated 10/2/2009 on this department file of even number.

By order and in the name of the Governor of Gujarat.

R. K. Shah  
Deputy Secretary  
Industries and Mines Department

**copy to.**

Secretary to H.H. Governor of Gujarat, Raj Bhavan, Gandhinagar (By Letter)  
Principal Secretary to Chief Minister, Sachivalaya, Gandhinagar  
Deputy Secretary to Chief Secretary, Sachivalaya, Gandhinagar  
All Departments of the Sachivalaya  
Accountant General, Gujarat, Ahmedabad  
Industries Commissioner, Udhog Bhavan, Gandhinagar  
The C.E.O., GIDB, Udyog Bhavan, Gandhinagar.  
Director of Employment & Training, Dr, Jivraj Mehta Bhavan, Gandhinagar  
Commissioner of Cottage Industries, Udhog Bhavan, Gandhinagar  
All District Industries Centres (through Industries Commissioner)  
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