

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department - "The Textile, Apparel, and Garments Policy 2018-2023" to create an enabling ecosystem for establishment of textile value added activities in the State of Andhra Pradesh - Orders - Issued.

INDUSTRIES AND COMMERCE (PROG.II) DEPARTMENT

G.O.MS.No. 105

Dated: 12-09-2018

Read:

G.O.Ms.No.32, Industries & Commerce (Programme-II) Department dated:29-04-2015.

ORDER

In the G.O. read above orders have been issued for 'Andhra Pradesh Textile and Apparel policy 2015-2020' with an aim to promote and develop a robust textile industry in the state.

2. Upon evaluation of performance of the existing policy, it was noted that though the State has been able to attract considerable investment from major Textile manufacturers, not much progress has been achieved in terms of the value added textile activities such as weaving units, knitting units, preparatory units, processing units, Technical Textiles, Integrated units, Garments/Apparels due to different limiting provisions of the policy and comparatively better incentives available in competing states. Multiple stakeholder discussions have preferred a need to offer a substantively attractive package to develop missing segments in entire textile value chain and create an ecosystem that provides ample employment opportunities. Against this backdrop, in order to prevent value migration from the State and harness the potential in the entire textile value chain, there is need for a revised policy in the State.

3. Government after careful examination hereby introduces the Textile, Apparel, and Garments Policy 2018-2023. The detailed policy is appended in Annexure.

4. The salient features of the Textile, Apparel, and Garments Policy 2018-2023 are as follows:

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(A) Spinning and Modern Ginning Projects

- (i) Interest subvention of 7.5% per annum for a period of Seven (7) years (including Two (2) year moratorium period). The interest subsidy will be capped at 12.5% taking into account assistance from all sources (such as Central Government Schemes, Industrial Policy of the State etc.).
- (ii) Power cost reimbursement of Rs. 1 per unit for Spinning & Modern Ginning for a period of Five (5) years from Date of Commencement of Production (DCP)

(B) Micro, Small, Medium, and Large Industries

(i) **Micro, Small and Medium Enterprises (MSMEs)** means a units in which investment on plant and machinery is up to limit as defined by the Government of India from time to time and engaged in value added activities such as weaving units, weaving preparatory units, knitting units, processing units, Technical Textiles units, garmenting/apparel/ made-up units, spinning and modern Ginning units (with at least 50% of investment in value added activities such as weaving/knitting/processing/garmenting/apparel/made-ups etc)

(ii) **Large Industries** means industries other than MSMEs and having Fixed Capital Investment up to Rs. 200.00 Crore engaged in the production for value added activities such as weaving units, weaving preparatory units, knitting units, processing units, Technical Textiles units, garmenting/apparel/ made-up units, spinning & modern Ginning units (with at least 50% of investment in value added activities such as weaving/knitting/ processing/garmenting/apparel/made-ups etc)

- (a) Reimbursement of 50% on cost of land, limited to 5% of Fixed Capital Investment, for units being established in Andhra Pradesh Industrial Infrastructure Corporation Industrial Parks/ on Andhra Pradesh Industrial Infrastructure Corporation (APIIC) lands.
- (b) Subsidy of 25% of cost of external infrastructure for units which are not allotted land in Industrial Parks/ Textile Parks, with maximum limit of Rs. 1 Crore.
- (c) 20% Capital Subsidy on Fixed Capital Investment (FCI), with a maximum limit of Rs. 15 Crore.

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- (d) 50% capital subsidy for green measures (establishment of Effluent Treatment Plants (ETPs)), with a maximum limit of Rs. 20 Crore.
- (e) Interest subvention of 8% per annum for a period of Seven (7) years (including Two (2) year moratorium period). The interest subsidy will be capped at 12.5% taking into account assistance from all sources (such as Central Government Schemes, Industrial Policy of the State etc.).
- (f) Power cost reimbursement of Rs. 2 per unit for a period of Five(5) years from Date of Commencement of Production (DCP)
- (g) Monthly employment subsidy of Rs. 1,000 per employee per month for Five(5) years for enterprises generating employment for people of AP domicile (or) Reimbursement of 100% of Net SGST accrued to the state for a period of 5 years or up to 100% of FCI, whichever is earlier.
- (h) One time reimbursement of 50% of training cost, with a limit of Rs. 7,500 per trainee.

(C)Mega Projects

- (i) Mega Project means an industry with Fixed Capital Investment of at least Rs. 200 Crore or providing employment to at least 2,000 people, engaged in the production for value added activities such as weaving units, weaving preparatory units, knitting units, processing units, Technical Textiles units, garmenting/apparel/ made-up units, spinning & modern Ginning units (with at least 50% of investment in value added activities such as weaving/knitting/ processing/garmenting/apparel/made-ups etc)
- (ii) Reimbursement of 50% on cost of land, limited to 5% of Fixed Capital Investment, for units being established in APIIC Industrial Parks/ on APIIC lands.
- (iii) Subsidy of 25% of cost of external infrastructure for units which are not allotted land in Industrial Parks/ Textile Parks, with maximum limit of Rs. 3 Crore
- (iv) 20% Capital Subsidy on Fixed Capital Investment (FCI), with a maximum limit of Rs. 30 Crore
- (v) 50% capital subsidy for green measures (establishment of Effluent Treatment Plants (ETPs)), with a maximum limit of Rs. 30 Crore

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- (vi) Interest subvention of 8% per annum for a period of Seven(7)years (including Two(2) year moratorium period). The interest subsidy will be capped at 12.5% taking into account assistance from all sources (such as Central Government Schemes, Industrial Policy of the State etc.).
- (vii) Power cost reimbursement of Rs. 2 per unit for a period of Five(5) years from Date of Commencement of Production (DCP)
- (viii) Monthly employment subsidy of Rs. 2,000 per male employee & Rs. 2,500 per woman employee per month for Five (5) years for enterprises generating employment for people of AP domicile (or) Reimbursement of 100% of Net SGST accrued to the state for a period of Seven (7) years or up to 100% of FCI, whichever is earlier.
- (ix) One time reimbursement of 50% of training cost, with a limit of Rs. 10,000 per trainee.

(D) Ultra Mega Projects

- (i) .Ultra Mega Project means an industry with Fixed Capital Investment of at least Rs. 500 Crore or providing employment to at least 5,000 people with at least 2 or 3 value addition activities (except Spinning & Modern Ginning) over a period of Five(5) years from 1st Date of Commencement of Production.
- (ii) Reimbursement of 50% on cost of land, limited to 5% of Fixed Capital Investment, for units being established in Andhra Pradesh Industrial Infrastructure Corporation Industrial Parks/ on Andhra Pradesh Industrial Infrastructure Corporation lands.
- (iii) Subsidy of 25% of cost of external infrastructure for units which are not allotted land in Industrial Parks/ Textile Parks, with maximum limit of Rs. 5 Crore
- (iv) 20% Capital Subsidy on Fixed Capital Investment (FCI), with a maximum limit of Rs. 50 Crore
- (v) 50% capital subsidy for green measures (establishment of Effluent Treatment Plants (ETPs)), with a maximum limit of Rs. 50 Crore
- (vi) Interest subvention of 8% per annum for a period of Seven(7) years (including 2 year moratorium period). The interest subsidy will be capped at 12.5% taking into account assistance from all sources (such as Central Government Schemes, Industrial Policy of the State etc.).

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- (vii) Power cost reimbursement of Rs. 2 per unit for a period of 5 years from Date of Commencement of Production (DCP)
- (viii) Monthly employment subsidy of Rs. 3,000 per male employee & Rs. 3,750 per woman employee per month for (Five) years for enterprises generating employment for people of AP domicile (or) Reimbursement of 100% of Net SGST accrued to the state for a period of Ten(10) years or up to 100% of FCI, whichever is earlier.
- (ix) One time reimbursement of 50% of training cost, with a limit of Rs. 10,000 per trainee.

(E) Industrial Parks/ Textile Parks

- (i) 50% subsidy on development expenses up to a limit of Rs. 10 Lakh/ acre for development of Integrated Textile Parks, with Common Effluent Treatment Plant (CETP), in minimum extent of 500 acres in PPP mode with employment generation potential of not less than 25,000 jobs.
- (ii) 50% capital subsidy, with a limit of Rs. 50 Crore, for establishment of Common Effluent Treatment Plant (CETP) in Textile Parks/ Industrial Clusters.
- (iii) Reimbursement of 50% of Operation & Maintenance expenses of CETPs established in Industrial Parks/ Textile Parks for a period of Five(5) years from date of operation of CETP.
- (iv) Financial assistance of 50% of expenditure (limited to Rs. 10 Crore) for developing external infrastructure facilities for Industrial Parks/ Textile Parks
- (v) GoAP will facilitate development of two parks (with plug and play facilities) in an extent of 40-50 acres to accommodate at least 40 weaving /preparatory units in MSME sector. GoAP will provide the requisite External Infrastructure such power, water and approach road up to the park and also a grant for creating common infrastructure.

(F) Research & Development

- (i) Government will support establishment of Textile, Apparel and Garments Technology and Research Institutes in the state in coordination with leading educational/research institutions as well as industry, with appropriate financial, infrastructure and other support mechanisms duly dovetailing with relevant schemes of Government of India.

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(G) Cap on incentives

- (i) The total incentives drawn as per provisions under the policy shall not exceed the following limits:
 - (a) 100% of Fixed Capital Investment (FCI) for units with Garmenting, Apparel, Made-ups, Integrated Plants, Processing, Technical Textiles operations.
 - (b) 75% of Fixed Capital Investment (FCI) for Weaving, Weaving Preparatory, Knitting units
 - (c) 50% of the Fixed Capital Investment (FCI) for Spinning and Ginning operations

5. The Government will extend tailor made incentives to Mega Projects and Ultra Mega Projects on case to case basis based on pioneering nature of the project, strategic importance, project's importance to the state's industrial growth and its ability to generate large scale employment for people or revenues for the state.

6. The policy will come into operation from date of issue of this order and shall remain in force for five (5) years or up to 31-03-2023. Incentives mentioned in the Textile, Apparel and Garments Policy 2018 - 2023 will be extended to industries as per guidelines to be notified by Commissioner of Industries separately.

7. All textile units/activities commissioned during 'AP Textile and Apparel Policy 2015-2020 period can opt for the benefits afforded under this policy for the remainder of the five year eligibility period.

8. The Commissioner of Industries, Vijayawada, is requested to draft necessary operating guidelines for this Policy.

9. This order is issued with the Concurrence of Finance Department, vide U.O.No.58030/3/FMU.I&C/2018, dt:16.07.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIA RAJ
SECRETARY TO GOVERNMENT&CIP

To

The Commissioner of Industries, A.P., Vijayawada.

The Director of Handlooms & Textiles, Yerrabalem, Guntur District..

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The VC&MD, APIIC. Ltd., Vijayawada.

The VC & MD APIDC Ltd. Vijayawada.

Copy to:

The D.T.A, Ibrahimpatnam

All District Collectors

All District Treasury Officers

The Revenue (CT-II) Department.

The Revenue (LA) Department.

The Energy, I&I Department.

The Finance (FMU-Rev-I&C) Department.

The Law (H) Department.

Ind. & Com. (Infra & P&I Sections) .

P.S to Prl. Secy., to Hon'ble C.M.

P.S to Hon'ble Minister for Industries & Commerce.

P.S to Hon'ble Minister for Handlooms & Textiles

P.S to C.S to Government.

P.S to Secy., & CIP.

P.S to Secy. (Handlooms)

Sf/Sc.

//FORWARDED BY ORDER//

SECTION OFFICER

Annexure

Draft Andhra Pradesh Textile, Apparel and Garments Policy 2018-23

DEPARTMENT OF INDUSTRIES & COMMERCE
GOVERNMENT OF ANDHRA PRADESH



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1 PREAMBLE

1.1 Indian Market Scenario

The textile sector plays a key role in the Indian economy by way of significant contribution to economic growth. This sector contributes 14% to industrial production, 5% to India's GDP and constitutes 13% of the country's export earnings.

India has the second largest manufacturing capacity in the world. Availability of abundant raw material, skilled manpower and lower cost of production are some of the key factors that contribute to the success of Indian textile industry. Textile sector is one of the largest provider of employment generation in India, it employs over 4.5 crore people directly. Currently, the textile industry employs about 60 million workers indirectly.

Household sector consumes the largest share of textiles and garments in India (60%), followed by the non-household sector i.e., institutional, industrial and technical (21%), and then the exports sector (19%). The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The textiles sector is one of the largest contributors to India's exports with approximately 13 % of total exports. Apparel exports contribute to around 40% of total textile exports from India. India's overall textile exports during FY 2015-16 stood at USD 40 billion.

Most of the processing units in India are independent units, with some being integrated with spinning, weaving or knitting units. The garment sector is decentralized, with substantial part of production being sub-contracted to small fabricators and contract manufacturers. It is estimated that there are over 75,000 garment units in India, but most of them are small in size and undertake work as contract manufacturers for large exporting firms. Thus, this sector provides scope for unparalleled growth.

1.2 Andhra Pradesh Market Scenario

The State of Andhra Pradesh is ranked 7th in terms of cotton production in India with a production of 19 lakhs bales in 2016-17. Thus, there is good availability of cotton for value addition in AP.

As per current estimates there are about 150 spinning mills in Andhra Pradesh, with capacity of approximately 36 lakhs spindles. Further there are about 18,000 power looms of which about 9,000 are shuttle looms and 1300 high speed air jet looms.

The state of Andhra Pradesh has well developed ginning and spinning segments in the textile industry and is the one of the leading producers of cotton in the country. West Godavari, Krishna, Guntur, Prakasam and Chittoor districts of Andhra Pradesh have many textile based industries such as modern textile weaving, cloth weaving, hosiery and spinning mills. However there is very less presence in the crucial weaving, processing and Garments segment leading to heavy export of yarn leading to value migration from our state to other destinations. This also mandates import of fabric for the apparel and garmenting units that are located in the state, leading to increase in cost of raw material due to logistics, loss of productivity due to delay etc.

1.3 Need for Revised Policy

Between June 2014 and March 2018, 39 Large and Mega projects and 901 Micro, Small and Medium Enterprises (MSME) Units have commenced production with an investment of Rs 2537 Crores providing an employment to 44787 people. This apart 17 Large and Mega Projects with an investment of Rs 2,656 Crores with an employment potential of 42,813 are in advance stages of implementation. This is vis-à-vis a target of Rs. 6,000 Crores in Investment and 3,00,000 jobs to be achieved by 2020 as laid out in Textile & Apparel Policy 2015-20, reflecting an achievement of more than 80% in terms of investment and 30% in terms of employment generation.

However, it was noted that not much progress has been achieved in terms of the value added textile activities such as weaving units, knitting units, preparatory units, processing units, Technical Textiles, Integrated units, which have a greater potential not only in terms of promoting value addition but also in creating large scale employment. In order to convert the entire yarn into fabric in the State itself, Government decided to

revise the existing Policy to encouraging value added textile activities with suitable Policy instruments to harness the potential in the entire textile value chain. Therefore upon evaluation of performance of the existing policy, the approach shall be preventing value migration from the state which necessitates appropriate policy response promoting specific components of value chain, Integrated textile parks, Technical textiles etc.

Accordingly, the state of Andhra Pradesh is revising the Textile and Apparel Policy 2015-20 and instituting this policy “Andhra Pradesh Textiles, Apparel and Garments Policy 2018-23” to attract investments focused on weaving, knitting, processing, garmenting, apparel making, integrated units, and technical textiles etc., with special emphasis on value addition, employment generation and productivity enhancement.

2 OBJECTIVES & TARGETS

This policy has the following objectives:

- (a) To convert the major portion of yarn produced in the State into Fabric and Garment's within the State
- (b) To promote the State as a destination for global textile majors

This policy has the following targets:

- (a) To attract new investments in value added Textile activities worth Rs. 15,000 Crores by 2023
- (b) Create employment to 2.5 lakh people by 2023

3 OPERATIVE PERIOD

The policy will come into operation from date of its issue and shall remain in force until 31st March 2023. The eligible industries availing incentives under Textile and Apparel Policy 2015-20, may continue to avail incentives under the earlier policy or opt for the incentives under this new Policy for the remaining eligible period.

4 DEFINITIONS

New Enterprise means an enterprise, which commences commercial production during the operative period of this scheme.

Expansion or Diversification: Existing enterprise taking up expansion and/or diversification with or without forward/backward integration, with investment more than 25% of its existing 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.

Fixed Capital Investment shall include cost of technical civil works including factory sheds and buildings, plant and machinery, laboratories for research and quality testing, laboratory equipments, utilities for power, fuel and water supply and other miscellaneous fixed assets. Costs of land, land development, pre- operative & preliminary expenditure, margin for working capital, Interest During Construction (IDC) and non-technical civil works such as roads, office infrastructure etc., are excluded from Fixed Capital **Investment** for the purpose of application of this policy.

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.

- (a) Agrotech (Agriculture, Horticulture and Forestry)
- (b) Buildtech (Building and Construction)
- (c) Clothtech (Technical components of shoes and clothing)
- (d) Geotech (Geo-textiles and Civil Engineering)
- (e) Hometech (Components of furniture, household textiles and floor coverings)
- (f) Indutech (Filtration, cleaning and other industrial usage)
- (g) Meditech (Hygiene and Medical)
- (h) Mobiltech (Automobiles, Shipping, Railways and Aerospace)
- (i) Oekotech (Environmental Protection)
- (j) Packtech (Packaging)
- (k) Protech (Personal and Property Protection)
- (l) Sporttech (Sport and Leisure)
- (m) Defencetech (Textile for defense use)
- (n) Any other product as notified by Ministry of Textiles, Government of India, time to time

Mega Projects refer to projects with a Fixed Capital Investment of at least Rs. 200 crores or providing employment to 2,000 people or more, will be accorded mega industry status.

Ultra Mega Integrated Textile Project refers to projects with a Fixed Capital Investment of at least Rs. 500 crores or providing employment to 5000 people or more, with at least 2 or 3 value additions over a period of five (5) years from 1st DCP will be accorded Ultra Mega Integrated Textile Project status.

5 ELIGIBILITY

This Policy shall be applicable for spinning, modern ginning, and value added textile activities such as weaving units, Weaving preparatory units, knitting units, processing units, Technical Textiles, Integrated units, standalone garmenting and apparel units

However, the integrated projects will be eligible for incentives under this Policy only when the investment made in value added activities such as weaving/knitting processing/garmenting etc should match with the investment made in modern ginning and spinning activities, i.e., the investment in the value added activities should be at least 50% of the total project cost.

The units commenced commercial production from the date of issue of this policy to 31st March 2023 are eligible for incentives under this policy.

6.Incentives

6.1 Land and Infrastructure Support

New Enterprises set-up in the industrial parks /standalone locations, for value added activities such for weaving, knitting, preparatory, processing, Technical Textiles, Integrated projects, standalone garmenting and apparel units (except spinning and modern ginning) will be eligible for the following incentives related to land/external infrastructure

- (a). 50% of the Land cost or 5% of the project cost, whichever is less.

(b).External Infrastructure for Standalone Projectsnot allotted land in the Industrial Parks/Textile Parks:

S.No	Category	Particulars
a.	Units other than Mega and Ultra Mega	25% of the External infrastructure cost limited to Rs. 1.00 Crore
b.	Mega	25% of the External infrastructure cost limited to Rs. 3.00 Crore
c.	Ultra Mega	25% of the External infrastructure cost limited to Rs. 5.00 Crore

6.2 Capital Subsidy

New /Expansion Enterprises will be eligible for capital subsidy on the eligible Fixed Capital Investment (FCI) as per the limits indicated below for weaving units, knittingunits, Weavingpreparatory units, processing units, Technical Textiles, Integrated units (with investment matching) in addition to standalone garmenting and apparel units, except Spinning and modern ginning.

S.No	Category	Particulars
a.	Units other than Mega and Ultra Mega	20% of FCI limited to Rs 15 Crores
b.	Mega	20% of FCI limited to Rs 30 Crores
c.	Ultra Mega	10% of FCI limited to Rs 50 Crores

6.3 Capital Subsidy for Green Measures

For establishment of Effluent Treatment Plants (ETPs):

S.No	Category	Particulars
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a.	Units other than Mega and Ultra Mega	50% of FCI limited to Rs 20 Crores whichever is lower
b.	Mega	50% of FCI limited to Rs 30 Crores whichever is lower
c.	Ultra Mega	50% of FCI limited to Rs 50 Crores whichever is lower

6.4 Interest Subvention

Interest subsidy @ 8% per annum for weaving units, preparatory units, knitting units, processing units, Technical Textiles, Integrated units (with investment matching i.e the investment made in value addition shall match with Spinning/Ginning) in addition to standalone garmenting and apparel units etc. within the Textile value chain and up to 7.5% for Spinning & modern Ginning only for the earlier Textile Policy 2015 - 20 period or till completion of Term loan, whichever is early. The interest subsidy will be capped at 12.5% taking into account assistance from all sources (such as TUF scheme, Industrial Policy of the State). Interest subsidy will be for Seven (7) years with Two (2) years moratorium.

6.5 Skill Support

Department of Industries and Commerce will work with Department of Skill Development, Entrepreneurship and Innovation to fulfill the skill development needs of Enterprises dovetailing the existing programmes of State Government as well as Central Government or instituting customized programmes, as needed.

One time grant will be provided for the persons trained and employed in the unit.

a.	Units other than Mega and Ultra Mega	50% of training cost upto Rs 7,500 per trainee
b.	Mega & Ultra Mega	50% of training cost upto Rs 10,000 per trainee

6.6 Power Cost Reimbursement

Power cost reimbursement @ Rs.2/- per unit for a period of five (5) years from date of commencement of commercial production for value added activities such for weaving units, preparatory units, knitting units, processing units, Technical Textiles, Integrated units (with investment matching) in addition to standalone garmenting and apparel units and @ Rs.1.00 per unit for spinning and modern ginning for a period of five (5) years.

6.7 Employment Based Incentives

New /Expansion Enterprises engaged in the production for value added activities such for weaving units, preparatory units, knitting, processing units, Technical Textiles, Integrated units (with investment matching) in addition to standalone garmenting and apparel units.

New /Expansion Enterprises generating employment for people of Andhra Pradesh domicile, will be eligible for monthly employment subsidy for the employees on the roles, for a period of five (5) years for all activities in textile value chain (except ginning, spinning) from DCP

S.No	Project	Employment Incentive
a.	Units other than Mega and Ultra Mega	Rs 1000 per employee for units providing employment of 500 and above
b.	Mega	Rs.2500 per women and Rs.2000 for men
c.	Ultra Mega	Rs.3750 per women and Rs.3000 for men

(OR)

S.No	Project	SGST Incentive
a.	Units other than Mega and Ultra Mega	100% Net SGST accrued to the state for a period of 5 years or 100% of the FCI

		whichever is earlier
b.	Mega	100% Net SGST accrued to the state for a period of 7 years or 100% of the FCI whichever is earlier
c.	Ultra Mega	100% Net SGST accrued to the state for a period of 10 years or 100% of the FCI whichever is earlier

The units can either opt for employment subsidy or the State Goods Service Tax (SGST) incentives based on their need and suitability

7. INTEGRATED TEXTILE PARKS

Government will promote development of Integrated Textile Parks, in Public Private Partnership mode. This park will have a minimum extent of 500 acres with plug and play facilities including CETP and marine outfall. It will be connected to the nearest port through corridors to facilitate import and exports. Such parks shall be eligible to get a subsidy of 50% of development expenses, up to a maximum of Rs. 10 Lakhs per Acre. The disbursement of this subsidy will be predominantly linked to employment /investment/occupancy of the park, as specified in operating guidelines. GoAP will also dovetail the incentives offered by GoI for development of the park.

8. WEAVING /PREPARATORY PARKS

GoAP will promote two parks in an extent of 40-50 acres to accommodate at least 40 weaving /preparatory units in MSME sector. GoAP will facilitate development of these parks by Private Promoter through bidding Process. GoAP will provide the requisite External Infrastructure such power, water and approach road up to the park and also a grant for creating common infrastructure. The developer has to create plug and play sheds for the MSMEs to set-up their units in the park.

9. ASSISTANCE FOR COMMON INFRASTRUCTURE IN INDUSTRIAL PARKS/TEXTILE PARKS

Capital and Operational Assistance for Green Measures

A capital subsidy of 50% of fixed capital investment with a ceiling of Rs. 50 Crores, for establishment of Common Effluent Treatment Plants (CETPs) by Industrial Clusters/Textile Parks, in addition to support availed under various schemes of Government of India.

Reimbursement of 50% of Operational and Maintenances expenses will be provided to the developer of Common Effluent Treatment Plants (CETP) established in the Industrial Clusters/Textile Parks for first five (5) years from the date of operation of Common Effluent Treatment Plants (CETP).

For establishing external infrastructure facilities, GoAP will provide financial assistance of up to 50% of expenditure incurred, with maximum limit of 10 crore

10. CAP ON OVERALL INCENTIVES

The total incentives drawn as per provisions under the section “Incentives for Textile Industries” shall not exceed the following limits:

- (a) 100% of Fixed Capital Investment (FCI) for units with Garmenting, Apparel, Made-ups, Integrated Plants, Processing, Technical Textiles operations.
- (b) 75% of Fixed Capital Investment (FCI) for Weaving, Weaving Preparatory, Knitting units
- (c) 50% of the Fixed Capital Investment (FCI) for Spinning and Ginning operations

11. SUPPORT TO TEXTILE, APPAREL AND GARMENTS TECHNOLOGY AND RESEARCH INSTITUTES

The Government will support establishment of Textile, Apparel and Garments Technology and Research Institutes in the state in coordination with leading

educational/research institutions as well as industry, with appropriate financial, infrastructure and other support mechanisms.

12. OPERATIONAL GUIDELINES

Detailed operational guidelines will be issued separately.

13. PERIODIC REVIEW OF POLICY EFFECTIVENESS

An annual review of effectiveness of this policy in promoting investments in Textile Sector in the state and the ease of accessing incentives provided under this policy will be undertaken internally or through a third party.

**SOLOMON AROKIA RAJ
SECRETARY TO GOVERNMENT&CIP**