

GOVERNMENT OF ASSAM
DIRECTORATE OF HANDLOOM & TEXTILES

NO. DHTP.88/2018/27

Dated Guwahati, the 14th Sept./ 2018

From : Shri M. Rahman,
Additional Director,
Handloom & Textiles, Assam.

To
All Officers of this Directorate.

Sub: Circulation of "Textile & Apparel Policy" 2018.

Sir,

With reference to the subject cited above, I am directed to enclose here with a Govt. letter No.HTS.427/2017/25, dated 24th July, 2018 along with its enclosure regarding "Textile & Apparel Policy" 2018 for doing the needful at your end.

Encl: As stated above.

Additional Director,
Handloom & Textiles, Assam.

Memo No. DHTP.88/2018/27-A

Dated Guwahati, the 14th Sept./ 2018

Copy to:

- ✓ 1. The Research Officer of this Directorate. He is requested to take necessary action to upload the policy in the official website of this Directorate.


Additional Director,
Handloom & Textiles, Assam.

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**GOVERNMENT OF ASSAM
HANDLOOM TEXTILES & SERICULTURE DEPARTMENT**

**ORDERS BY THE GOVERNOR
NOTIFICATION**

Dated Dispur, the 24th July, 2018.

No.HTS.427/2017/25: The Governor of Assam is pleased to notify the 'Textile & Apparel Policy', 2018 with immediate effect.

Sd/- Hemanta Narzary, IAS.
Principal Secretary to the Govt. of Assam
Handloom Textiles & Sericulture Department
Dispur, Guwahati-6.

Memo No.HTS.427/2017/25 -A

Dated Dispur, the 24th July, 2018.

Copy to:-

1. The Accountant General (A&E), Assam, Maidamgaon, Beltola, Guwahati-29.
2. The Joint Secretary to the Govt. of Assam, Political (Cabinet Cell) Department, Dispur-06.
3. S.O. to Chief Secretary, Assam, Dispur-06.
4. The Deputy Secretary to the Govt. of Assam, Industries & Commerce Department, Dispur-06.
5. The Deputy Secretary to the Govt. of Assam, Personnel (B) Department, Dispur-06.
6. The Deputy Secretary to the Govt. of Assam, Finance (EC-II) Department, Dispur-06.
7. The Deputy Secretary to the Govt. of Assam, Legislative Department, Dispur-06.
8. PS to Minister, HT&S Department, Dispur.
9. PS to Commissioner & Secretary, Handloom Textiles & Sericulture Department, Dispur-06.
10. The Director, Handloom & Textiles, Assam, Ambari, Guwahati-01.
11. The Director, Sericulture, Assam, Khanapara, Guwahati-22.
12. The CEO, AKVIB, Assam, Chandmari, Guwahati-03.
13. The Managing Director, ARTFED, Assam, Ambari, Guwahati-01.
14. The Managing Director, AGMC, Assam, Ambari, Guwahati-01.
15. The Assistant Director/ Superintendents of Handloom & Textiles,.....
16. The Assistant Director/ Superintendents of Sericulture,.....
17. The Deputy Director, Assam Govt. Press, Bamunimaidam, Guwahati-21. He is requested to publish this notification in the next issue of the Assam Gazette.

By Order etc.,

Secretary to the Govt. of Assam
Handloom Textiles & Sericulture Department
Dispur, Guwahati-6.

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CABINET MEMORANDUM

(To be circulated under Rule 17 of the Assam Rules of Executive Business, 1968)

Sub :- Textiles and Apparel Policy 2018-2022.

1. INTRODUCTION :-


The Textile sector has paid significant contribution to the country's economy by way of GDP, manufacturing output, employment generation and export earnings. Abundant raw material, skilled manpower and lower cost of production are some of the key features that contribute to the success of Indian textile Industry.

The Indian Textiles industry contributes about 5% of the country's Gross Domestic Product (GDP) and 14% to overall index of Industrial Production (IIP). According to recent studies it is estimated that the domestic sales could raise to US\$ 315 billion from currently US\$ 97 billion and at the same time export could also increase to US\$ 185 billion from approximately US\$ 38 billion currently.

Unlike many of the advanced states of the country Textile industry has not developed well in Assam and the State is in fact, still a virgin area for growth of the Textile sector. All textiles needs of the entire NE region are met from outside supplies. Apart from having a few small scale spinning and processing units the sector is virtually a non-starter in the state despite the fact that the state holds great potential for becoming a future natural textiles hub of the country given its good raw material base and a large number of skilled man power which is highest in the Country so far as hand weaving is concurred. To take advantage of the great potential of the State it is essential to have a robust Textile and Apparel Policy of State so that investors and entrepreneurs may find it a preferred destination to start Textiles and Apparel making Industries.

2. PROPOSAL :-

The Textile Industry has two ^{broad} Board segments. First, the unorganized sector consisting of Handloom and Sericulture, which are operated on a small scale and through traditional looms/tools and methods. The second is the organized sector consisting of spinning weaving and apparel and garments making segment which apply modern machinery and techniques. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end. In respect of the first segment namely handloom weaving Assam has a pride of place in the country with nearly 43.32 lakh Weavers and allied worker and 11.12 lakh handlooms, in the State. To boost the progress of this Sector, the State Govt. have already developed and published the State Handloom Policy, 2017 . Now to take forward the 2nd segment i.e. the organized sector of the Textiles and Apparel Industries a draft Textile and Apparel Policy Assam 2018 is prepared and placed before the Hon'ble cabinet discussion and approval.



5. As suggested, the Directorate of Sericulture is also included as a Member of the SLC.
6. The Textile, Apparel & Footwear Policy 2016 of Jharkhand has been duly consulted while drafting the present policy. A paragraphs being Para-9c viz " Other Subsidies" is included now in the line of the Jharkhand Policy.

b)Views of the Finance Department :-

The Finance Department viewed as follows :-

Finance Department has examined the draft policy and recommends a review on the lines suggested herein under since the policy has largely been based on the lines of similar policy adopted by the State of Jharkhand. However, it is to be cautioned that the quantum of assistance proposed needs to be scaled down given the contrast between Jharkhand state's revenue surplus stemming from the royalty that is accrued in a mineral resource rich state which is not the situation in the case of the State of Assam.

Suggestions for modification in the draft Textile and Apparel Policy, Assam 2018 as indicated in the tabular columns below;

Proposed Textile and Apparel Policy Assam 2018 as submitted by Handloom and Textile Department	Suggestion of Finance Department
Proposed provision (Paragraph 9) General incentives (a) Interest subsidy on long term loans (iii) Quantum of assistance (i) Maximum interest subsidy of 6 % per annum will be provided by the Government of Assam. This will be 7.5% in respect of spinning units and garments/made-up units. This interest subsidy will be in addition to other incentives and assistance received by the unit from other sources including the Government of India	(A) Interest subvention:- Instead of the proposed maximum interest subsidy of 6% per annum to be provided by Government of Assam, and separately 7.5% in respect of spinning units garments/ made up units, it is suggested to that in the backdrop of the prevailing rates of interest in respect of term loans, interest subvention should be limited to a maximum of 2% capped for a maximum quantum of Rs.10 crores only for a period of 7 years, irrespective of the upper limit/ time of the term loan availed.
(iii) The enterprise that have acquired second hand imported machineries for spinning units having 12 years' vintage and with a residual life of minimum 10 years, duly certified by competent authority like chartered Engineer/chartered account etc will be considered eligible for support uner the scheme to the extent of 70% of the acquisition value of imported machineries. The months after commissioning/	(B) Finance Department suggests that the subsidy shall be admissible only for new enterprises that are set up with new machineries and the enterprises set up using imported second hand machineries shall be <u>ineligible</u> for the benefits under the policy from the State Government
(v) To be eligible to get assistance an enterprises must apply within the policy years.	(C) Finance Department suggests that the interest subvention shall be limited to 2% of the term loan and shall be reimbursable on submission of a certificate that the beneficiary company has already serviced the due instalments of the term loan in time. Any company that defaults in payment shall be ineligible for any such interest subvention under the policy.

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Under Other subsidies at (i) it has been proposed that entrepreneurs setting up new enterprise during the policy period will be given an Employment Generation Subsidy at the rate of Rs.5000/- per month per worker for a period of first 7 years to facilitate capacity building of indigenous workers of the enterprise. This subsidy will be Rs.6000 per month per worker in case of SC/ST/Women workers, and further (ii) Reimbursement of Rs.1000/- per month per worker or the actual cost whichever is less will also be given to the employer for a period of 5 years against expenditure incurred towards payment of ESI and EPF contributions.

(D) Instead of the above, Finance Department suggests that the benefit per employee should be limited to Rs.1000 per month only and extended only to those workers statutorily being extended benefits of EPF.

In matter of all other subsidies (power/transport etc) and assistances the prevailing Industrial policy and admissible notifications shall apply ordinarily and there should not be any departure from the same.

With modification on the lines suggested above Finance Department convey its 'no objection' to the Textile and apparel policy, Assam 2018.

This has the approval of Hon'ble Minister, Finance.

Sd/- Deputy Secretary
Finance (EC-II) Department,
Dated: 15/12/2018
File No.HTS.427/2017.

Response of the Department :


- 1) In respect of para (A) of the Finance Department it is stated that since the maximum cap for interest subvention is kept at Rs.10 crores only for a period of 7 years irrespective of the upper limit/ time of term loan availed, the Department feels that the proposed interest subsidy of 6%-7.5% may be retained. This is because even a big spinning or a garment/ made-up unit does not require an expenditure of more than Rs.30.00 crores on plant and machineries (or as gross fixed capital investment as defined in the Policy). The entrepreneur cannot take more than 50% as loan for such a unit as otherwise he will not get other benefits of Central Govt. such as ATUF (Amendend Technically Upgradation Fund) scheme. Thus the loan will not be more than Rs.15.00 crores on plant & machineries for such units. Interest of 6%-7.5% on this Rs.15.00 crores for 7 will years never reach the limit of Rs.10 crores. In fact, it will be less than Rs.4.5 crores. Hence the original proposal for an interest subvention of 6% - 7.5% may kindly be retained as this will keep the burden of the State exchequer far below the maximum admissible amount of Rs. 10 crores. The draft policy is accordingly corrected keeping maximum cap at Rs.10 crores as suggested by Finance Department.



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- 2) In para (C) the Finance Department suggested that the interest subvention shall be re-imbursable on submission of a certificate that the beneficiary company already serviced the due instalments of the term loan in time. The HT&S Department feels that this will be a very harsh proposition for the company as under this proposition the company will get re-imburement after all the instalments to bank are serviced. Actually the company should get the money at the time of need when the company will be hard pressed for sourcing money to pay the loan instalment. It is therefore requested that the earlier proposal of the Department may be retained. The department agrees with the Finance Department that any company defaulting in payment shall be ineligible for any such interest subvention under the policy and this has already been incorporated in the draft Policy.
- 3) All other directions of the Finance Department are incorporated in the draft Policy although the Department feels that these will reduce the appeal of the policy.

Approval sought :-

Approval of the Hon'ble Cabinet is sought to the draft Textile and Apparel Policy Assam 2018. (Enclosed)


Commissioner & Secretary to the Govt. of Assam
Handloom Textiles & Sericulture Department
Dispur, Guwahati-06.

5. As suggested, the Directorate of Sericulture is also included as a Member of the SLC.
6. The Textile, Apparel & Footwear Policy 2016 of Jharkhand has been duly consulted while drafting the present policy. A paragraphs being Para-9c viz " Other Subsidies" is included now in the line of the Jharkhand Policy.

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<p>(v) To be eligible to get assistance an enterprises must apply within the policy years.</p>	<p>(C) Finance Department suggests that the interest subvention shall be limited to 2% of the term loan and shall be reimbursable on submission of a certificate that the beneficiary company has already serviced the due instalments of the term loan in time. Any company that defaults in payment shall be ineligible for any such interest subvention under the policy.</p>

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1. Introduction to Assam

The state of Assam is located between 24°-0' to 28°-18' North latitude and 89°-50' to 97°-4' East longitude and is spread over a geographical area of 78.44 thousand square kilometer. It shares its boundary with the states of Bhutan and Arunachal Pradesh in the north, Arunachal Pradesh in the east, Arunachal Pradesh Nagaland Manipur Meghalaya Tripura and Mizoram in the south and West Bengal and Bangladesh in the west. It is the second largest state of North East India after Arunachal Pradesh and has 33 districts, of which four districts are under Bodoland Territorial Council (BTC).

As per census of 2011 the population of Assam is 3,11,69,272. Of this 1,59,54,927 are male and 1,52,14,345 are female. The decadal growth of Assam's population during 2001-2011 was 16.93percent against 17.64 percent for the country as a whole. The density of population of Assam as per 2011 census was 397 against the average all India figure of 382.

85.92% of the total population of the state is rural and therefore Agriculture is the mainstay of the major part of the population. Agricultural workers account for 54.44% of the total workers of the state. The state is fairly rich in natural resources. Oil and Natural gas are the major minerals of Assam with the state accounting for 15% of the country's total crude output. Other mineral resources include Limestone with a reserve of about 700 million tons, coal having a reserve of about 320 million tons china clay, granite etc.

Industrialization in Assam can be stated to have started with the first commercial plantation of tea. The state produces about 54% of tea of the country and has occupies an important position in the state's economy. Besides, Assam has four Refineries with their allied units. The Industrial Relations scenario in the state is peaceful with very low incidence of labour related disputes.

As an Industrial Policy the Government of Assam is emphasizing on adoption of Eco-friendly investment strategy for sustainable development

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of the state. The growth rate of GSDP in the state during the 9th plan period was 1.51% which increased to 5.33% during the 10th plan period. The state was able to achieve an annual average growth rate of 8.42% during the 11th plan period. The projected growth rate of the state during the 12th plan period is 9.38%.

2. Overview of the textile sector

i) Global Scenario

Globally Textiles and Apparel Industry has witnessed remarkable changes in the past few years. With raising competition in the garment sector companies in developed countries are in constant search for cheap source of garment production. The wholesale supply in clothing is increasing worldwide in all the sectors of the Industry, whether it be men's clothing, women's clothing, kids wear or infant ware. The elimination of global export quotas has led to a shift towards low cost countries having strong and established clothing Industry especially in Asia.

The global market is expected to grow at a CAGR of 6.3% between 2013 and 2018. Studies have shown a raising trend in the per capita consumption of all man-made textile fibre over the past few years.

The women wear segment is the biggest segment contributing around US\$ 630 billion or 48% of the overall industry value in 2016, followed by menswear and children wear with a share of 31.4% and 11.4% respectively. Apparel accessories and hosiery carry products pertaining to both men and women, holding a share of 5.2% and 4% respectively.

i) Indian Scenerio

The textile sector has paid significant contribution to the country's economy by way of GDP, manufacturing output, employment generation and export earnings. Abundant raw material, skilled manpower and lower cost of production are some of the key features that contribute to the success of Indian textile industry.

India has the second largest manufacturing capacity globally. Indian Textile Industry is currently estimated at around US\$ 108 billion. It is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 51 million people directly and 68 million people indirectly. The Indian Textiles industry

contributes about 5% of India's Gross Domestic Product (GDP) and 14% to overall index of Industrial Production (IIP). According to recent studies it is estimated that the domestic sales could raise to US\$ 315 billion from currently US\$ 97 billion and at the same time export could also increase to US\$ 185 billion from approximately US\$ 38 billion currently.

The country witnessed a positive growth of 7.5% in US dollar term during the first three fiscals of the 12th Five Year plan. Highest growth in export is achieved by coated/laminated fabric category which grew at the rate of 38.6% in US dollar term.

In terms of textile units, Indian Textile & Garment industry is one of the largest in the world. 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.

II)Current trends in Apparel Industry

Region wise Asia Pacific and Western Europe are leading markets contributing 36.6% and 22.8% respectively in 2016. Moderate growth in recent years has increased the industry's competitiveness. With fast changing consumer preferences, players are required to create strong brand consciousness and run intensive marketing campaign, to maintain market shares.

3.Assam, a potential Textiles hub of the country

Unlike many of the advanced states of the country the state of Assam has not well developed in the textile industry and is in fact still a virgin area for growth of the sector. All textiles needs of the entire NE region are met from outside supplies. Apart from having a few small scale spinning and processing units the sector is wide open for the investors. However the state holds great potential for becoming a future textiles hub of the country.

The state does not produce cotton to any tangible extent. Neither does it produce significant synthetic fibres like Polyester, Nylon etc. But it is famous for two main silks viz. Muga and Eri. Muga is adored world over for its lustrous golden colour and therefore known worldwide as the golden silk. This silk has extremely high tensile strength which makes it last for several years even on constant wearing. Assam contributes about 80% of the country's Muga production. Together with the sister states of the North Eastern region its contribution becomes 99% of the country's total production of about 170 MT per year. The state Govt. has taken serious steps to increase the production to double its present production level in the next five years. No other country on earth produces this beautiful silk and therefore this silk holds great potentiality in the Textiles scenario of the country. The state has also earned GI certification on Muga because of its being endemic to Assam.

The other important silk is the Eri, which is famous worldwide as the NON-VIOLENT SILK. It is called non-violent silk because the pupae inside the cocoon need not be killed to extract the silk. No other silk on earth has this peculiar and adorable property and the pupae must in all other cases be necessarily killed to extract the silk. The larva inside the cocoon of the Eri silk worm gets metamorphosed into pupae and then to the moth which flies away by piercing the outer cover of the cocoon. This cover left by the moth is collected and the Eri silk is spun. Assam produces about 3400 MT of Eri silk yearly which constitutes about 80% of the country's production. The NE states together produce about 92% of the country's Eri silk. The best thing about Eri silk is that it is most versatile of all silks and can produce all kinds of cloths.

Assam produces about 770 thousand bales of Jute every year which constitutes about 14% of the country's total production. The Jute produced is not utilized in the state and is exported to other states. These can be utilized within the state for production of industrial/technical/geotextiles.

The soil and climatic condition of the state is extremely good for growing the other most versatile fibre RAMIE. This silky fibre can be used for

production of exceptionally good quality fabric and can be blended with other fibres like cotton, Eri & Muga silk, polyester, acrylic fibre etc. The great tensile strength of the fibre is another important feature of the fibre which makes suitable for making strong ropes.

Bamboo is found in abundance in all parts of the state. The method of extraction of fibre from bamboo has already been standardised in some of the countries like China. The technology is not available in our country and can therefore be imported from outside the country to utilize this huge untapped resource.

4. Advantage Assam

i) Infrastructure

Assam has excellent intra state connectivity and is well connected with rest of India. SE Asian countries and Bangladesh is terrestrially connected to Assam through Asian Highway 01 and 02. The state has six operational airports along with one international airport viz. LGBI Airport at Guwahati. Guwahati is connected to all major cities of the country with direct flights. Assam envisages to becoming the hub of air traffic emanating from and to SE Asian markets. The state is also well connected to the rest of India by Rail Network and majority of inbound and outbound cargo movement of the state are done through Railways.

The strategic location of Assam, in proximity to the growing ASEAN economies, provide easy access to a market of over 800 million consumers. All the major cities of ASEAN are located geographically closer to Assam compared to other major cities of the country. Hence Assam can rightly be called India's expressway to ASEAN.

A land bank of about 2000 acres has been created by the state Government to facilitate industrial development. Also an Industrial corridor of about 80 KM long along the Kukurmara-Guwahati-Rangia-Tihu National Highway covering one KM on both sides of the Highway is being created for facilitating Industrial development. In this corridor land of any class acquired for industrial purposes will be automatically converted into industrial land.

ii) Skilled Labour

Assam with its legacy of handlooms and handicrafts, has a strong skill base of weaving and textile related skills. The 3rd Handloom Census conducted by the National Council of Applied Economic Research (NCAER) in 2009-10 indicated that the state has 43.32 lakh weavers and allied workers and the number is increasing every year. In the recent past, skill of the textile workers have also moved up the value chain due to proliferation of modern technologies in this industry, enabling them to undertake a wide range of sophisticated tasks.

iii) Huge Market

The state offers a big market for the Textiles Industry. Based on the per capita consumption of Textiles it has been estimated that the Textiles and apparel market of the state is worth more than Rs. 5000.00 crores. This is approximately 3% of the value of the country's total Textiles production. This does not include Technical Textiles, Industrial Textiles, Geo-Textiles, Medical-Textiles, Agri-Textiles, etc. The state's strategic location has great potentiality for capturing a huge export market in the south east Asia having a population of about 800 million.

5. Policy Objectives

Government of Assam believes the state has the potentiality to become the Textiles hub of the country given its huge raw material base and hence has strived to promote and develop a robust textile industry capable of providing sustainable employment to weavers and allied workers and position the state as a destination of choice to global textile majors. The policy aims to make best use of its skilled manpower and abundant precious raw silk for production of high value Textiles and apparels while at the same time modernize textile manufacturing and improve productivity in order to ensure availability of quality fabric at affordable prices to cater to domestic and international demand.

6. Policy Targets

Following targets have been envisaged:

- a) Make Assam one of the most important textiles hub of the country and a preferred destinations for investment in textile & apparel activities.
- b) Attract new investments worth Rs. 2000.00 crore and make the state an exporter of textile products by the end of the policy period.
- c) Make optimal and best utilization of the resources and potentials of the state for maximum gain of its people.
- d) Create additional employment opportunity for 1 lakh people by the end of the policy period and 5 lakh people by 2030.

7. Operative period of the policy

The policy will come into operation from 1st June, 2018 and will continue for the next five years till 31st May, 2023.

8. Definitions

a. New Enterprise

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

b. Existing Enterprise

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

c. Existing Unit

A unit which was in commercial production in the state of Assam prior to 01/01/2018.

d. Expansion or Diversification

Existing enterprise taking up expansion and/or diversification in the same location with or without forward/backward integration, investing

more than 25% of its existing gross fixed capital investment and increasing in regular employment by at least 10% from the people of Assam 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.

e.Gross fixed Capital Investment

Gross fixed capital investment means investment in Plant & Machinery before a unit commences expansion/diversification/ modernization and/or obtains sanction of financial assistance from Banks /Financial Institutions.

f.TUF Scheme

The TUF scheme means Technology Up-gradation Fund Scheme as notified by Government of India and amended from time to time pertaining to eligible machineries under the scheme.

g.Technical Textiles

Technical Textiles means 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.

i)Agrotech (Agriculture, Horticulture and Forestry)

ii)Buildtech (Building and Construction)

iii)Clothtech (Technical components of shoes and clothing)

iv)Geotech (Geo-textiles and Civil Engineering)

v)Homotech (Components of furniture, household textiles and floor coverings)

vi)Indu-tech (Filtration, cleaning and other industrial usage)

vii)Medi-tech (Hygiene and Medical)

viii) Mobil-tech (Automobiles, Shipping, Railways and Aerospace)

ix) Oeko-tech (Environmental Protection)

x) Pack-tech (Packaging)

xi) Pro-tech (Personal and Property Protection)

xii) Sport-tech (Sport and Leisure)

xiii) Defense tech (Textile for defense use)

Any other product as notified by Ministry of Textiles, Government of India, time to time

h. Mega Projects

Projects with an investment in fixed capital above Rs. 100 crore or generating a minimum 1000 regular employment will be accorded mega industry status.

i. Large Projects

Projects with an investment in plant and machinery above Rs 10 crore will be called large projects

9. General incentives

a. Interest Subsidy on long term loans.

Financial assistance by way of credit linked Interest Subsidy will be given in Ginning & Pressing, Cotton and silk Spinning, Silk Reeling and degumming, Weaving, Dyeing & Processing, Knitting, Garment/Made-ups, Machine Carpeting, Machine Embroidery and any other activities/ process like crimping, texturizing, twisting, winding, sizing etc. within the Textile value chain. The eligible activities for such assistance are,

i) Spinning

Spinning activities means setting up of units with raw material as 100% cotton/silk or with blending of any textile fibres or any kind of spun yarn based on the cotton/silk spinning system or technology from blow room

to yarn packaging (winding). Spinning operation can be performed on ring spinning, Rotor or Jet-spinning.

ii) Other activities

Ginning & Pressing, Weaving (with or without preparatory) Dyeing & Processing, Knitting, Garment /Made-ups Machine Carpeting, Machine Embroidery and any other activities/process like crimping, texturizing, twisting, winding, sizing etc. within the Textile value chain. Investment in Plant & Machinery as specified in the updated list of machinery under TUF scheme of Government of India from time to time or as decided by the Govt. of Assam.

iii) Quantum of assistance

i) Maximum interest subsidy of 6 % per annum on loans for plant and machineries will be provided by the Govt. of Assam. This will be 7.5% in respect of spinning units and garment/made-up units subject to a maximum of Rs.10.00 Crores. This interest subsidy will be in addition to other incentives and assistances received by the unit from other sources including the Govt. of India.

ii) The interest subsidy stated above will be available for establishing new enterprise under the scheme, for expansion/ diversification/modernization of existing enterprises and only for investment in new and modern plant machinery.

iii) To qualify for interest subsidy, the enterprise should get term loan from a Financial Institution/ Bank recognized by Reserve Bank of India

iv) To be eligible to get assistance an enterprise must apply within one year of disbursement of term loan (but not later than the date of commencement of commercial production). Further, the disbursement of loan must be within the policy years.

v) The scheme of assistance will be applicable to new units or existing units (only expansion or diversification) commencing production during the policy period

vi) Commercial operation of the enterprise must start within the

operative period of the scheme. Interest subsidy will be available only on interest levied by the Financial Institution. Penal interest or other charges will not be reimbursed

vii) The interest subsidy will be for seven years including a moratorium of two years or for the period of repayment of loan whichever is earlier irrespective of whether the loan period exceeds 7 years.

viii) Interest subsidy will be given to the enterprise which pays regular installments and interest to the financial institutions. Defaulting enterprise will not be eligible for interest subsidy pertaining to the default period and such defaulting period will be deducted from 5 year period

ix) In the event of the period of implementation of the project exceeding 2 years the period of implementation to be taken into account shall be 2 years for calculating the interest subsidy. The period of implementation will be counted from the date of disbursement of the first installment of the loan

b. Power Subsidy

i) Power tariff subsidy will be given by the state Gov. at the rate of Rs.2.00 per unit for Spinning and modern Ginning and at Rs.2.50 per unit for other categories (including technical textiles) for a period of 5 years from date of commencement of commercial production.

ii) This will be applicable for setting up of new enterprises as well as for expansion/diversification of existing enterprises.

iii) There will be clear demarcation on supply of electricity as per the eligibility criteria. Subsidy will be paid by way of reimbursement only after due verification of claims.

iv) Units who purchase electricity from state discoms/open access will be eligible for this relief.

c. Other subsidies

i) Entrepreneurs setting up new enterprise during the policy period will be given an Employment Generation Subsidy at the rate of Rs. 1000.00 per month per worker for a period of first 7 years to facilitate capacity building of

indigenous workers of the enterprise. The subsidy will be applicable only for those workers who are statutorily being extended benefits of EPF.

10. Tax Exemption

All Textiles and Apparel units set up in the state of Assam will get Tax exemptions as per the Assam Industries (Tax Reimbursement for Eligible Units) Scheme 2017 and other Central Government policies made from time to time for the state

11. Support to Technical Textiles

Credit linked interest subsidy in Technical Textiles will be given to new as well as existing enterprise for expansion/upgradation as follows,

- i) Maximum interest subsidy will be at the rate of 6% per annum. This will be in addition to any other incentives from Govt. of India.
- ii) Interest subsidy will be available only for establishing new enterprises or for expansion/diversification/modernization of existing enterprises and also for the investment in new plant and machineries.
- iii) For the purpose of the interest subsidy, the enterprise shall have to get term loan from Financial Institution/Bank recognized by Reserve Bank of India.
- iv) The enterprise shall have to apply within one year from the last disbursement of term loan but not later than the date of commencement of commercial production. Such enterprises shall not be eligible to claim interest for the period from date of first disbursement to the extended date from when the unit exercises the option to avail the benefit if interest subsidy is for a period of five years.
- v) Disbursement of the loan should be within the operative period of the Policy.
- vi) The enterprise must start commercial operation within the operative period of the policy.
- vii) The interest subsidy will be available only on the interest levied by the Financial Institution. Penal interest or other charges will not be reimbursed.
- viii) The benefit of Interest Subsidy will be considered from the date for which the unit has opted, but not later than commencement of commercial production.
- 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 the 5 year period.

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The enterprise availing the benefit shall not avail such benefit from any other state Govt. scheme. However they are eligible to any other additional benefit under Govt. of India scheme

12.Support for Establishing Textile & Apparel Park

a.Eligibility:

- i. Any Industry Association, Industrial House, Co-operative society, Institution registered under the Societies Act, Partnership Act or the Companies Act or any Government body such as AIDC/AIIDC/ASIDC etc. shall be eligible as developer to avail assistance under the scheme.
- ii. The park must have provision for co-locating minimum 10 manufacturing/ service enterprises. Out of these, a maximum of 25% of units can be from service and allied enterprises.
- iii. Provision of all common facilities shall be established by the developer in the textile park.

b.Land

- i) Land shall be provided by the Assam Government as per the state industrial and investment policy

c.Infrastructure facilities

- i) Developer shall make good provision for common internal infrastructure facilities such as internal roads, power lines, communication facilities, water distribution line and water augmentation facilities, sewage and drainage lines, effluent treatment and disposal facilities, storage facilities, common facility centre like training centre, display centre etc. and other facilities as may be required in the Industrial Park.

d.Quantum of assistance

- i) The park developer and enterprises in the park will be eligible for reimbursement of stamp duty on lease of land required for the new park.
- ii) This reimbursement will be available only once to the developer and the first lessor of an individual unit. Stamp duty reimbursement certificate will be issued after approval of the project.

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iii) Assistance shall be provided on case to case basis for creation of external infrastructure. Separate notification will be issued by the Revenue Department in this regard.

iv) For establishing common infrastructure facilities, financial assistance of up to 50% of the total project cost (excluding cost of land) will be made available subject to the maximum limit of Rs. 20.00 crore (Rs. 36.00 crore for composite /integrated park)

e.Mode of Implementation

Textile/Apparel parks are required to have the minimum infrastructure facilities. An indicative list of common infrastructure facilities is:

- i. Asphalt road, concrete road
- ii. Storm water drainage system
- iii. Domestic sewage collection and disposal system
- iv. Street lights
- v. Open & Green spaces
- vi. Water & Power supply & distribution network
- vii. Entrance gate and security
- viii. Communication network
- ix. Effluent treatment collection/disposal
- x. Fire station/ firefighting facilities with equipment
- xi. Common storage facilities for raw materials finished products.
- xii. Boundary wall
- xiii. Public transit within park
- xiv. Centralised washing (apparel park)
- xv. Centralised embroidery unit (apparel park)

f.Other conditions

- i) Unless expressly specified, the developer of parks availing incentives under the scheme will not be eligible to avail similar incentive under any

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other schemes of the State Government. However, enterprises coming up in the park shall be eligible to avail incentives under other schemes of the State Government.

ii) The developer shall have to complete construction of infrastructure facilities of the sanctioned project within a period of three years from the date of project approval. Failure to complete the project in specified time will attract action towards recovery of stump duty as per rules and will render the project ineligible for financial assistance.

iii) The promoter/ developer of the project shall commit to hold at least 20% equity in the project.

iv) Expansion or modification/modernization of existing industrial parks shall not be allowed without prior permission of the Govt.

v) Promoter/developer of parks shall operate & maintain the park, failing which, sanctioned/ disbursed/ reimbursed amount will be recovered as arrears of land revenue under Land Revenue Laws.

vi) Detailed organization and management arrangements and mechanism of third party inspection will have to be set up as an integral part of the project to claim assistance under this scheme.

13.Assistance for Energy Conservation, Water Conservation and Environmental Compliance

i) Support to setting up of Common Effluent Treatment Plant (CETP) at Industrial clusters/ textile parks will provide under the policy in the following manner-

a) 50% of the Project cost or Rs. 12.00 crore, whichever is less.

b) In case of Handloom sector- 80% of the project cost or Rs. 3.00 crore, whichever is less.

ii) Assistance of up to 50% of the cost of Energy Audit /Water Audit/Environmental compliance, subject to a maximum amount of Rs. 60,000 will be given to eligible units. The limit of Rs. 60,000 will be applicable to each category separately.

iii) The enterprise will be eligible for the above benefit once during operating period of the scheme.

14. Assistance for Technology acquisition and up -gradation

Enterprises acquiring specialized application technology for the first time in India will be considered eligible under the scheme. Acquisition of technology and collaboration can be in any form, including purchase of drawing, design and technology development through engaging experts/ R&D institutions and/or technical consultancy firms. Mere import of Machinery or Technology will not be considered as Technology Acquisition.

Quantum of Assistance

- i) Enterprises acquiring technology will be provided financial assistance of up to 50% of the investment in technology/collaboration, subject to a maximum amount of Rs.35.00 lakh per process/product, only once during operative period of the scheme
- ii) Enterprises availing a benefit for the same purpose under any other scheme of the State Government will not be eligible to get benefits under this scheme

15. Assistance to Apparel Training Institutions and Trainees

a) Setting up of Training Institutions

- i. Any autonomous institution promoted by government/public sector undertakings or private sector with a substantive background of textile and apparel industries or skilled manpower development taking up project for apparel and textile designing institution will be provided assistance up to 85% subject to a maximum amount of Rs. 3.00 crore of the project cost.
- ii. Project cost will cover fixed capital investment in building, equipment and machinery (including installation cost), electrification, furniture and other miscellaneous investment required for setting up training facilities, excluding land cost. A maximum of 25% cost of Machinery and Training Equipment will be eligible to be considered under infrastructure including building.
- iii. The promoter will bear the recurring expenditure of running the training institution.

b.Training Centres

i) Training centres, that intend to upgrade their facilities in order to provide apparel training will be given assistance as follows:-

a) 50% of their investment towards purchase of equipment and machinery (including installation cost), electrification and necessary furniture subject to a maximum amount of Rs.25.00 lakh per centre.

b) Establishment of new training centres will also qualify for financial assistance as in (a) mentioned above.

ii) To be eligible for the above benefit, Institution/Training centre shall create mechanism for assessment of trainees either along the lines of ITIs and Polytechnics or undergo third party assessment by certified industry bodies.

c.Reimbursement of tuition fees to trainees

i) The assistance will be at 75% of total fees charged by institutions approved by the State Level Committee. This will be subject to a limit of Rs.7,500.00 per trainee for a minimum of 15 working days (120 hrs duration) per course in apparel production. The selection of the trainees will be done by a committee constituted by the concerned GM, DIC involving local industries/Industry Association. The tenure of the training, syllabus and tuition fee will be prescribed by the State Level Committee.

ii) However, this support will not be available to those trainees availing any other similar support provided by State Government.

d.Assistance for Training to Trainers

i) Apparel training institutions/centres approved by State Level Committee, imparting training to trainers will be provided financial assistance, as reimbursement of training cost up to maximum of Rs 7,500 per trainee, per week. The reimbursement will be subject to the following:

a) 100% in case of trainees attending autonomous institutions promoted by Government/Public sector undertakings and

b) 50% in case of trainers attending other institutions.

ii) The training period should not be of more than four weeks.

16. Training support to Power loom sector

- i) Trainees of power loom training centres operated by power loom Service Centres or Skill Development Centres promoted by the State or Central Government or any autonomous body as approved by State Level Committee from time to time will be provided stipend of Rs.3000.00 per month for a period of three months.
- ii) Financial assistance for advanced training to power loom owner/jobber and worker to upgrade skills to work on Auto looms, high speed auto looms and shuttle-less looms to improve their working style, skill and behavior will be given at the rate of Rs. 350.00 per day for weavers and Rs. 450.00 per day for a duration of ten days . Power loom owners will not get any allowance.
- iii) Fees to experts, practical training, facilities and duration of training etc. will be decided by the Directorate of Handloom and Textiles for each training programme. Reimbursement of actual cost of such expenditure will be given to institutions with maximum 25% of the estimated cost as an advance as approved by the State Level Committee.

17.State Level Approval Committee (SLAC)

A Committee consisting of the following members is constituted for sanction of assistance in respect of the proposals received under the above mentioned schemes.

1. Senior most Secretary to the Govt of Assam - Chairman
Handloom Textiles and Sericulture Department.
2. Principal Secretary to the Govt. of Assam - Member
Industries and Commerce Department or
his representative.
3. Principal Secretary to the Govt. of Assam, - Member
Finance Department or his representative.
4. Principal Secretary to the Govt. of Assam, - Member
Public Enterprises Department or his
representative.

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| 5. Commissioner, Industries and Commerce | - Member |
| 6. Managing Director, Assam Industrial Development Corporation. | - Member |
| 7. Managing director APDCL or his nominee | - Member |
| 8. Member Secretary, Pollution Control Board | - Member |
| 9. Director, Employment and Craftsmen Training | - Member |
| 10. Director of Sericulture, Assam | - Member |
| 11. Director, Handloom and Textiles | - Member Secy |

Terms of Reference

- i. The proposal for getting assistance should be submitted to the respective Director Handloom and Textiles. The Director Handloom and Textiles shall scrutinize the application and shall place the same before the committee for its decision. The Committee shall scrutinize the proposal and approve the same for incentive under the policy if found suitable.
- ii. The Committee shall meet as and when necessary and at least once in a quarter.
- iii. The Chairman of the Committee may co-opt any expert/s, Officer for specific proposals.
- iv. At least five members including the Chairman, Member Secretary and the Principal Secretary Industries and Commerce shall be required for any sitting of the Committee.
- v. The Committee may also review the implementation of various incentives in the state and may suggest remedial measures to the higher authority as and when felt necessary.