

# Textile Policy - Gujarat

By  
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# **Scheme for incentive to Textile industries**

Scheme is valid from 4<sup>th</sup> September, 2018 to 31<sup>st</sup> December, 2023.

## **Eligible fixed Capital investment**

- New Building –
- New plant and machinery / equipment
- Electrification, tools, accessories, Utilities
- Effluent treatment plant

**LAND COST and Second hand machinery IS NOT AVAILABLE**

## **Eligible activities of scheme**

- Weaving, including preparatory (excluding woven sacks)
- Knitting, Dyeing and/or Printing (Processing)
- Machine Carpeting, Machine embroidery
- Technical Textile (excluding woven sacks in any form of packtech)
- Made-ups (article manufactured and/or stitched from any type of cloth, but does not include garment)
- Crimping, Twisting, Texturizing, Thread, sizing, winding

## **Ineligible activities of scheme**

- Ginning, Spinning
- Garment and Apparel (Eligible under separate policy)
- SEZ Units

# Quantum - Credit linked interest Subsidy

## 1) Interest Subsidy

Category	No. of Employees	Interest subsidy
MSME	-	6%
Large Enterprise	Direct employment upto 100 persons	4%
	Direct employment to more than 100 and upto 200 persons	4.5%
	Direct employment to more than 200 and upto 500 persons	5%
	Direct employment to more than 500 persons	6%

**Maximum upto Rs. 20 crore p.a. for 5 years**

## Additional benefits

Technology up gradation	50% of investment for upgradation – Max upto Rs. 25 lakh
Power Tariff subsidy	<b><u>Weaving activity</u></b> – Rs. 3 per billed unit (Kwh) for LT power connection and Rs. 2 per billed unit (Kwh) for HT pwer connection for 5 years <b><u>Other:</u></b> Rs. 2 per billed unit (Kwh) – for 5 years
Energy, water conservation	20% cost of machinery and equipment – Max Rs. 30 Lakh

## Conditions for interest subsidy

- To determine number of direct employment, only employees registered under Employees' provident Fund scheme will be considered
- Bank loan to be availed from commercial/cooperative bank or financial institution approved by RBI
- Apply for interest subsidy within one year from disbursement of loan or starting commercial production whichever is later – if late application then proportionate claim reduce
- Upward revision in loan within one year from date of commencement of commercial production eligible for subsidy
- If default in payment of instalments to bank then not eligible for subsidy



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