

उत्तर प्रदेश शासन
हथकरघा एवं वस्त्रोद्योग अनुभाग
संख्या-236/63-व0उ0-2018-155(एच)/2017
लखनऊ : दिनांक: 25 जनवरी, 2018

अधिसूचना

भारत का संविधान के अनुच्छेद-162 के अन्तर्गत कार्यपालिका शक्तियों का प्रयोग करते हुए श्री राज्यपाल महोदय द्वारा उत्तर प्रदेश हैण्डलूम, पावरलूम, सिल्क, टेक्सटाइल एण्ड गारमेंटिंग पॉलिसी-2017 को प्रख्यापित किया जाता है।

2- औद्योगिक निवेश एवं रोजगार प्रोत्साहन नीति-2017 की अधिसूचना जारी होने की तिथि 13 जुलाई 2017 से 05 वर्ष तक उत्तर प्रदेश हैण्डलूम, पावरलूम, सिल्क, टेक्सटाइल एण्ड गारमेंटिंग पॉलिसी-2017 प्रभावी रहेगी।


मुकुल सिंहल
अपर मुख्य सचिव।

संख्या-236(1)/63-व0उ0-2018, तददिनांक-

प्रतिलिपि निम्नलिखित को संलग्नक सहित सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित :-

- 1- महालेखाकार, उत्तर प्रदेश, इलाहाबाद।
- 2- मुख्य सचिव, उ0प्र0 शासन।
- 3- समस्त अपर मुख्य सचिव/प्रमुख सचिव/सचिव, उ0प्र0 शासन।
- 4- समस्त मण्डलायुक्त/जिलाधिकारी, उत्तर प्रदेश।
- 5- आयुक्त एवं निदेशक, उद्योग निदेशालय, उ0प्र0 कानपुर।
- 6- आयुक्त एवं निदेशक, हथकरघा एवं वस्त्रोद्योग निदेशालय, उ0प्र0 कानपुर।
- 7- निदेशक, रेशम निदेशालय, लखनऊ।
- 8- निदेशक, सूचना एवं जनसम्पर्क विभाग, उ0प्र0 लखनऊ।
- 9- गार्ड फाइल।

आज्ञा से,


(बी० पी० मिश्र)
उप सचिव।

Handloom, Power-loom, Silk, Textile and Garmenting Policy 2017 Of UP State Government

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PREAMBLE

It is necessary for the all-round development of any state to ensure that the economic and social benefits of development should reach all the sections of society. Policies and schemes of the State Government should be able to improve the standard of living of people across all sections to enable them to lead a dignified life. The Handloom, Power-loom, Silk, Textile and Garmenting Policy 2017 (now onwards referred to as Textile and Garmenting Policy) of the State has been prepared based on this principle.

Recent years have seen countries like Bangladesh, Vietnam, Indonesia etc. emerge as major manufacturing centers of garmenting. Very cheap labour and some international trade advantages are the main reasons for their growth. The UP Government is keen to attract textile manufacturers in this scenario.

Textile industry has a vital importance in the economy of Uttar Pradesh. After agriculture, the textile sector and its ancillary manufacturing units, provide high employment opportunities. Textile industry is a labour intensive industry and has vast potential for the development of the State. There is a great need for employment generation in the State. Further, Uttar Pradesh, being the most populous state of India, offers a big market for textile products. To meet this demand, plenty of opportunities are available to set up textile industry in the State. It is an acknowledged fact that Uttar Pradesh provides an extremely high percentage of skilled, semi-skilled and unskilled workers to textile units across the country and many of these are women and persons from weaker sections of society. Thousands of residents of this State travel to far off places in Maharashtra, Gujarat, Tamil Nadu and Kerala to contribute in Textile production. The State Government is keen to bring employment at the doorsteps of such migrants and provide them wholesome opportunity here itself. The focus of this policy is on expanding the job opportunities in this sector and also to add more value in the production base of the nation.

There was a time when the State was famous for its traditional industries like textiles, including handlooms and power-looms, in the nation and also abroad. However, today the textile industry of Uttar Pradesh is struggling for its identity. In order to rejuvenate the textile industry of the State there is a dire need of technical up-gradation and fresh investment.

Besides being the most populous and important State of India, Uttar Pradesh also offers the largest consumer market in the country. Integrated development of such a large state is vital for the development of the nation. To meet its demand, Uttar Pradesh procures about two-third of raw material and related textile products from other states. The State Government has been continuously trying to rejuvenate its traditional handloom and textile industry and this U.P Textile and Garmenting Policy 2017 has been prepared to achieve complete success in this endeavour,. This policy covers all sub branches of

textile industry such as sericulture (including chaaki and koya production), reeling, handloom, spinning, weaving, knitting, texturising, dyeing, processing, garmenting (i.e. garment manufacturing, embroidery, embroidered fabrics, made-ups, home textiles, fashion accessories, leather garments and accessories), and all types of technical textiles and jute products. Provisions have been made in this policy to give special incentives to Poorvanchal, Bundelkhand and Madhyanchal after considering the suggestions (inputs) received from various industries in textile sector and industrial associations. This policy would foster new investment in the textile industry of the state and generate lakhs of direct and indirect employment opportunities. To make textile, handloom and sericulture industry successful and meaningful, emphasis has been laid on rationalisation of labour laws.

Various provisions have been made in the Industrial Investment and Employment Generation Policy- 2017 of Government of Uttar Pradesh towards ensuring Ease of Doing Business (EDB) in U.P. All those provisions will, *mutas mutandis*, also be a part of this Textile and Garmenting Policy.

With the introduction of Goods and Services Tax (GST) in India, the location of industry will be decided upon by the preferences of entrepreneurs. Comparative EDB and incentives vis-à-vis other states will be crucial factors influencing their choice. With this policy, UP aims to become a frontrunner state in attracting investors.

Uttar Pradesh has over 2,50,000 handloom weavers operating about 1,10,000 handlooms with natural clusters developed over hundreds of years. Varanasi and Mubarakpur are world renowned for silk sarees of the highest quality. Hand embroidery of delicate quality is the strength of several traditional clusters such as Farrukhabad, Bareilly and Lucknow. Socially, stitching is considered a very respectable vocation for both men and women in rural as well as urban areas. Women are encouraged in most homes to learn stitching and embroidery etc. Thousands of young people have been trained in the state in the past decade in Government sponsored programs of skill development. These skilled workers are in demand all across in textile industries.

There is a thriving power-loom industry in many parts of UP. Shining examples are Bijnore, Hapur and Amroha in the west, Sitapur in central UP and Gorakhpur in

Eastern UP. Bundelkhand too is rich in the tradition. These areas have vast pools of skilled manpower required for the textile industry. UP is one of the largest producers of quality leather and is steadily moving up in terms of value addition in leather garments, made ups and accessories. Kanpur, Unnao and Agra are major leather industry hubs. Kanpur was famous as the Manchester of the East for very long time. Backward and forward linkages required by big textile industries still exist in this region. These regions are natural clusters conducive to development of garmenting and are already popular among manufacturers for job work.

UP today has the longest network of expressways in India. It is easily possible to drive 500 km from Delhi to Lucknow in just 6 hours. Connectivity between Lucknow and Gorakhpur is excellent and the journey is comfortably over in 3.5 hours. Bundelkhand is reachable from Lucknow and Agra by very good roads. With the proposed Poorvanchal expressway, journey time from New Delhi to Varanasi may just be 10 to 11 hours. Air connectivity is top class at Lucknow and Varanasi. Allahabad and Gorakhpur too are on the air map. UP also has the unique advantage of being served by both the Eastern and Western dedicated freight corridors.

The climate of industrial relations in UP has been cordial historically with minimal disruptions. The State Government is striving to make very positive labour reforms. Minimum wages are fixed very reasonably.

The Textile & garmenting policy 2017 of Uttar Pradesh, while taking note of the strengths of UP, recognizes that garmenting is the sector where maximum jobs are created. Hence there is greater emphasis on this component of the industry. Other sectors of the industry however, have also been incentivised liberally to achieve synergies.

The State Government is trying to reduce power tariff for industries by innovative methods. Benefits of this will be passed on to industrial units in an appropriate manner.

The term '**Textile Unit**' is used broadly in this policy to denote any manufacturing unit producing anything described in paragraph 1.3.

1. VISION, OBJECTIVES AND STRATEGY

1.1 Vision

To generate maximum employment in the textile sector in Uttar Pradesh by attracting new investment and up-gradation of technology to improve the standard of living of the poor.

1.2 Objectives

Following are the objectives of the New Textile and Garmenting Policy:

- To foster investment and generation of employment in the textile industry so that the per capita income of State comes at par with the per capita income of the nation.
- To provide employment to as many people as possible in the textile sector.
- To attract investment in the textile sector.
- To fulfill the demand of the textiles in India and outside, with products of Uttar Pradesh and to minimize the import of textile products and raw material from other States.
- To develop the textile industry in backward areas of the State- Poorvanchal, Bundelkhand and Madhyanchal on priority and offer employment at local level and stop the relocation of talent and calibre.
- To organise training and skill development programmes as per the needs of the textile sector in order to ensure easy availability of skilled labour.
- To avail maximum benefits of schemes run by the Government of India in order to boost the textile sector in the State.

1.3 Strategy

The Policy aims to promote **all sub-branches of the textile manufacturing** value chain viz. *sericulture (including chaaki and koya production), reeling, handloom, spinning, weaving, knitting, texturising, dyeing, processing, garmenting (i.e. garment manufacturing, embroidery, embroidered fabrics, made-ups, home textiles, fashion accessories, leather garments and accessories), and all types of technical textiles and jute products.*

However, special thrust will be provided to:

- a. **Garment & made-ups manufacturing** as they generate high direct employment and also act as an engine of growth for upstream manufacturing activities; and
- b. Segments where the State has an established strength such as **embroidered fabrics, ethnic wear, leather garments and leather accessories.**

For the establishment of units with one or more of such operations, the strategy is as follows:-

- Development of infrastructure facilities.
- Leveraging of natural traditional clusters.
- Improvement in industrial relations climate in order to attract investment in the textile sector.
- Incentives to micro, small and medium textile units.
- Development of 'Plug and Play' facilities to enable entrepreneurs to run factories on rent.
- Fiscal grant and incentives to attract capital investment in textile sector.
- Higher incentives to Mega and Super Mega units that are likely to act as anchor units crystallizing development of textile industry around them.
- Calibre and skill development of manpower in order to generate employable workforce.
- Research and quality improvement.

2. DEVELOPMENT OF INFRASTRUCTURE FACILITIES FOR TEXTILE INDUSTRIES

Efforts will be made to provide qualitative and high level reliable infrastructure facilities for the industry. This will be done by the following methods: -

2.1 Allotment of land by government agencies

Allotment of land for textile units in industrial areas developed by Government agencies like UPSIDC, SIDA, LIDA and other development authorities will be subsidized. A subsidy of 50% of land cost will be reimbursed to investors who directly buy land from such Government agencies. This reimbursement will be made if and when the unit starts commercial production within five years of buying the land. In Gautam Budh Nagar (GB Nagar) District, this subsidy will be 30%. The subsidy will however, be limited to 5% of the

total project cost. The Government agency will ensure that there is a functional ETP in the area.

2.2 Incentivising private textile industrial estates or parks

Private and joint sector SPVs will be encouraged to set up textile parks in minimum area of 25 acres in regions chosen by the SPV. The State Government incentives for such parks will be over and above those provided by the Government of India under any of its schemes like Scheme for Integrated Textile Parks (SITP). The SPV shall have the freedom to plan the park. However, minimum common facilities like Effluent Treatment Plant (ETP) and drinking water, rain water harvesting; truck parking and other logistics etc. will be provided for and built by the SPV. The SPV will have to select land for the park so that it is connected to an existing, at least 18 meter wide all weather road and has access to a trunk drain. The SPV will build its own Sewage Disposal System or ensure access to trunk sewage line and provide land for transformers or electric sub-station as required. Land for police stations and fire stations will also be provided by the SPV. The SPV may construct workers' dormitories in the park for which an interest subsidy shall be given by the State Government. Land use conversion, if required, will be decided within ninety days of application being filed by the SPV and upon payment of applicable charges. Foreign Direct Investment (FDI) will be welcome for development of these parks. Country specific investment will also be encouraged for this.

The State Government will strengthen the existing connecting road to the park if required. It will also ensure connectivity to the trunk drain to which the park has access. Necessary electric line or separate feeder and transformers / sub stations, police and fire stations will also be built by the State Government. These services will also be maintained by the State's agencies.

Textile parks will be encouraged preferably around Lucknow–Kanpur, Kanpur–Allahabad, Kanpur–Delhi, Chitrakoot–Jhansi–Lalitpur, Varanasi–Allahabad, Delhi–Meerut, Delhi–Moradabad, Bareilly–Moradabad–Bijnore, Meerut–Najibabad, Gorakhpur–Varanasi and Gorakhpur–Faizabad highways and along the expressways of UP.

50% amount of annual payable interest will be reimbursed for a period of 7 years, on the loan taken for the purchase of land in order to set up textile parks/estates in the State (except in GB Nagar district). Land Cost Interest Subsidy will be calculated on the prevailing

circle rate on the date of purchase of land. Maximum limit of this subsidy/grant will be Rs.1 crore per annum.

60% amount of annual payable interest will be reimbursed for a period of 7 years, on the loan taken for the development of internal infrastructure facilities in the textile park/estate to be set up on an area of 25 acres or more, in the State (except in GB Nagar district). The maximum limit of interest subsidy will be Rs.10 crore per annum, per textile park/estate with cumulative maximum limit of Rs 50 crores. ETPs, training centers and testing labs will be eligible for this subsidy.

100% exemption from stamp duty will be admissible to developers of textile park/estate for purchase of land in the State (except in GB Nagar district). Exemption of 50% from stamp duty will be made available to the first buyer of every plot/unit to be set up in that textile park/estate.

2.3 Providing ready to use plug and play infrastructure

The State Government will provide complete, ready to use standard sized sheds and other facilities, on rent to potential entrepreneurs in the garmenting sector, through its agencies like UPSIDC, other industrial development authorities, urban development authorities and the Housing Development Board. Gorakhpur, Varanasi, Faizabad, Sitapur, Aligarh, Kanpur and Hapur will be the first areas for such facility. Construction will be started after willingness is committed by entrepreneurs for a particular location. The plug and play area will have ETP, road, sewage disposal, drainage, drinking water and electricity supply.

2.4 Incentives for staff quarters/hostels/dormitories

60% amount of annual payable interest will also be reimbursed for a period of 7 years for the construction of staff-quarters, hostel/dormitory in the textile park/estate to be set up in the State (except in GB Nagar district) and in the vicinity of Plug and Play facilities. The maximum limit of interest subsidy will be Rs 5 crores per annum per textile park/estate/site of plug and play facility with a maximum total limit of Rs. 30 crores. Land will have to be procured by the developer of the staff quarters/hostels/dormitories.

100% exemption from stamp duty will be admissible to developers of staff quarters/hostels/dormitories for purchase of land in the State (except in GB Nagar district).

Urban Development Authorities and the Housing Development Board, along with private developers, will be encouraged to build housing complexes under the **Pradhan**

Mantri Awas Yojna (PMAY) for eligible persons under PMAY who are pre contracted by textile units, park developing SPVs or plug and play facility providers near the workplace.

3. FISCAL GRANTS & INCENTIVES TO TEXTILE UNITS

To attract investment and make the textile industry competitive, the State will take suitable steps by providing following incentives, grant and fiscal benefits:-

3.1 Exemption from Stamp Duty

3.1.1 Land, shed or industrial tenements purchased or taken on lease from the State or Central Government or their undertakings (Corporation / Council / Board / Company / Institution) will be eligible for exemption from stamp duty, in the following manner:-

- a) Textile Units to be set up in Bundelkhand, Poorvanchal, Madhyanchal and Paschimanchal (except GB Nagar district) will be entitled for 100% exemption from stamp duty. Textile units to be set up in GB Nagar district will be entitled to 75% exemption from stamp duty.
- b) Land purchased in any part of the State for the development of infrastructure facilities (Such as Integrated Transport & Commercial Centre, Exhibition Centre, Warehouse, Water-Supply, Sewage lines, Sewage Treatment Plant, Solid Waste Management Plant, Effluent Treatment Plant for Textile industry) will be eligible for 100% exemption from stamp duty.
- c) Exemption of 50% from stamp duty will be made available to the first buyer of every plot/unit to be set up in a textile park/estate developed by a private / joint sector SPV.
- d) 100% stamp duty exemption will be available to Sericulture chaaki, koya production, threading units to be set up in any part of the State.
- e) Calculation of stamp duty exemption will be based on the prevailing circle rates as on the date of purchase of land for all of the above

3.1.2 Closed and now saleable units, financed by UPFC, PICUP or Banks will be entitled for exemption from stamp duty to be calculated as per selling price approved by the Competent Authority, instead of circle rate, but the extent of exemption will be given as per the provisions of aforementioned Para 3.1.1

3.1.3 If the land is being transferred by the parent company to its subsidiary company wherein the parent company has a minimum shareholding of 90%; then subsidiary

company will be entitled for stamp duty exemption with a condition that subsidiary company will come into commercial production within 3 years.

3.2 Concessions regarding State Taxes

- 3.2.1 Facility of interest-free loan equal to the sum of VAT & CST or amount deposited to the extent of State's share under GST, under the previous textile policy, will continue to the eligible units as before.
- 3.2.2 Reimbursement of State's share of Net State GST receivable by the State will be made subject to an annual upper limit of 25% of fixed capital investment (Land, Building, other Construction and Plant & Machinery) or actual tax deposited, whichever is less, for a total period of 10 years, as follows:-
- (a) MSME Textile Units in the State will be reimbursed @90%.
 - (b) Textile units which are not MSME will be reimbursed, in Poorvanchal and Bundelkhand @ 90%; in Madhyanchal and Pashchimanchal (except GB Nagar district) @ 75 %; and in GB Nagar district @ 60%.
 - (c) Mega and Super-Mega category textile units will be reimbursed @80% across the state.

3.3 Provisions Relating to Energy

- 3.3.1 100% Exemption from electricity duty will be given to new units for 10 years.
- 3.3.2 Electricity produced by new textile units, from Captive Power Plants and used for self-consumption, will be exempt for 10 years from Duty.
- 3.3.3 Textile Industry parks and units consuming more electricity than a specified threshold will be permitted open access as per Electricity Act, 2003.
- 3.3.4 Efforts will be made to reduce power tariff by innovative methods like Time of the Day metering and harnessing of renewable sources especially in Bundelkhand.
- 3.3.5 It will be ensured that textile clusters/parks/units that consume more power than a specified threshold and have the facility of independent feeders, whether paid by them or not, are not subjected to power cuts as far as possible. No other loads will be connected to such independent feeders.

3.4 Exemption from Mandi fees

Purchase of raw materials will be exempted from Mandi Fee for a period of 5 years for all textile units.

3.5 Other Subsidy Schemes

3.5.1 **Interest Subsidy:** A subsidy @ 7% will be given to textile units on loan taken for procurement of TUFS eligible plant & machinery from banks/financial institutions for a maximum period of 7 years subject to a cap of Rs 1.5 crore per year per unit. This limit will be Rs.75lakhs per annum per unit in GB Nagar district.

3.5.2 **Infrastructure Interest Subsidy:** A subsidy @ 5% will be given to textile units on loans taken for developing infrastructural amenities for self-use such as road, sewage, effluent treatment, drainage, power-line, transformer and power feeder etc. for a maximum period of 5 years subject to a cap of Rs.1.00 crore per unit.

3.5.3 **Quality Development Subsidy:** Textile Industry Associations and Groups of textile industrial units, will be reimbursed interest @ 5%, for a maximum period of 5 years, on loans taken by them for research, quality improvement and development of textile products by incurring expenditure on procuring plant, machinery and equipments in setting up of Testing Labs, Quality Certification Labs and Tool-Rooms. The maximum limit of this will be Rs.1.00 crore per Lab/Tool-Room.

3.5.4 **Capital Subsidy:** A capital subsidy of 25% of plant and machinery will be given to textile and garmenting industries as per the following cap:

Project Investment (Rs. Crores)	OR Minimum Employment	Subsidy cap (Rs. Crores)
<=10	50	2
>10 but <=50	200	10
>50 but <=100	300	20
>100 but <=200	500	40
>200	1000	100

- (a) Units for rearing of chaaki worm, koya production, reeling and spinning in sericulture sector, with a maximum capital investment of Rs.1.00 crore, that take loan from banks/financial institutions, will be eligible for capital subsidy to the tune

of 15% for margin money. The margin money will be calculated based upon appraisal of project cost done by the Bank. In case of SC/ST entrepreneurs, this grant will be 20%.

- (b) Capital subsidy of 20% will be given to silk reeling units requiring a capital investment of Rs 1 Cr or more, in addition to subsidy from Government of India institutions such as the Central Silk Board.
- (c) Subsidy under sub clauses b) and c) will be in addition to the State Government's share in the schemes of GoI and / or CSB.

3.5.5 Working Capital Subsidy: Silk reeling units which produce minimum 75% thread from koya produced in Uttar Pradesh will be eligible for interest subsidy at the rate of 5% on Working Capital Loan for a period of 5 years. The maximum limit of this will be Rs 50,000 per annum.

3.5.6 EPF Reimbursement:

- (a) New textile units which provide employment to 100 or more workers will be reimbursed 50% of the Employer's EPF contribution deposited by them for five years in respect of workers not covered under the "Employees Provident Fund Scheme Reforms / Pradhan Mantri Rojgar Protsahan Yojana".
- (b) Units which provide employment to 200 or more workers will be reimbursed Employer's EPF contribution @ 60% for five years in respect of workers not covered under the "Employees Provident Fund Scheme Reforms / Pradhan Mantri Rojgar Protsahan Yojana".
- (c) Garmenting units that get E.P.F. reimbursement for 3 years under the "Employees Provident Fund Scheme Reforms / Pradhan Mantri Rojgar Protsahan Yojana", will be given benefit by the State Govt. for 2 more years.

4. MEGA AND SUPER-MEGA TEXTILE PROJECTS

Mega and Super Mega units act as anchor industries. They function as drivers for regions and lead to springing up of smaller ancillary units and development of areas around them. The State Government will give special incentives to such units. These are defined as follows:-

Type of unit	Criterion	
	In Bundelkhand & Poorvanchal	In rest of UP
Mega Units	Investment: Rs50 to 75 crores Or Employment: Minimum 500 (Minimum 1,000 for garmenting units)	Investment: Rs 75 to 125 crores Or Employment: Minimum 750 (Minimum 1,500 for garmenting units)
Super Mega Units	Investment: More than Rs75 crores Or Employment: Minimum 750 (Minimum 1,500 for garmenting units)	Investment: More than Rs 125 crores Or Employment: Minimum 1,000 (Minimum 2,000 for garmenting units)

4.1 Special provisions for Mega & Super Mega Units

- (a) Employment Generation subsidy of Rs.3,200 per employed person per month shall be given to mega and super mega garmenting units for 5 years in all districts except GB Nagar and Ghaziabad. Every such employed person should be enrolled in EPF and have a valid "aadhar" number. It is hoped that this subsidy will help industries to train their employees and improve their productivity in 5 years. This subsidy will be available to units that cumulatively install the first 15,000 sewing machines to encourage early investors.
- (b) The financial caps of all fiscal benefits mentioned in this policy may be relaxed on case-to-case basis by the State Cabinet upon the recommendations of a Committee chaired by the Chief Secretary. However, mega projects will not be allowed any incentives which are not provided under this policy.
- (c) Allotment of land, water, power connection, etc. will be made available to these projects on priority basis through a fast-track mode. The State Government will consider providing infrastructure facilities like road, electricity-line, sewer line, drainage etc. to the extent possible, on its expense.
- (d) A police officer of the rank of Deputy SP will be designated as 'Niveshak Police Mitra' or 'Friend of the Investor' to ensure that the unit does not face any law and order problems and is not shut down due to labour issues.
- (e) Super Mega Units, in addition to the above, may be provided facilities that are not provided under this policy, with the approval of the State Cabinet upon recommendations of the Chief Secretary's committee, on a case-to-case basis, considering incentives offered by other states and their need.

5. INCENTIVES TO SC/ST/WOMEN/SPECIALLY ENABLED ENTREPRENEURS

- 5.1 In order to encourage SC/ST/Women/Specially enabled entrepreneurs, State Government will provide 2.5% additional interest subsidy in all interest subsidies given under this policy to units in which such persons have at least 75% equity. This will be subject to the condition that total additional interest subsidy will not be more than 7.5% and the total interest subsidy will not be more than payable interest.
- 5.2 Encouraging employment of SC/ST/Women/BPL workers of Uttar Pradesh domicile – 10% of the Net State GST deposited in the State's account will be additionally reimbursed to textile units employing more than, 1000 workers in Pashchimanchal, or units employing more than 750 workers in Bundelkhand, Poorvanchal and Madhyanchal areas, provided they fulfill any of the following conditions:
- 5.2.1 Minimum 25% workers belong to BPL; or
 - 5.2.2 Minimum 50% workers are women; or
 - 5.2.3 Minimum 25% workers are from SC/ST category.

6. CAPACITY BUILDING & SKILL DEVELOPMENT

- 6.1 Scholarship of Rs. 500 per month will be awarded to 2000 students of vocational subjects related to textile industry, handlooms and power-looms, studying in High School (Class 9-10) and Intermediate (Class 11-12).
- 6.2 A grant of Rs. 5 Lakhs per college will be given for the purchase of new handlooms, and handloom accessories such as- doobby and jacquard, raw-materials like yarn, dyes-chemicals etc. to train students.
- 6.3 Honorarium of Rs. 1000 will be provided per month for two years, to persons between 15 and 22 years of age, who assist handloom weavers in weaving/dyeing/designing, etc.
- 6.4 In order to increase the number of design professionals in the state, private design colleges/institutions will be encouraged. Projects will be developed with the help of U.P. Institute of Design, Abdul Kalam Technical University, IIT-Kanpur and NIFT-Rae Bareli for this purpose. Partnership of private institutions with these reputed organisations will be fostered by the State Government.
- 6.5 The State Government will supplement the Government of India's 'Integrated Skill Development Scheme for the Textiles and Apparel Sector Including Jute and Handicrafts' Scheme by providing grant upto 25% of the project cost fixed by the Government of India to fill any necessary gaps. Industry will be encouraged to design courses and teaching

tools to get the kind of people they want. Partnerships will be forged with interested textile units for this purpose.

- 6.6 Weavers will be actively assisted to obtain easy loans under the 'Pradhan Mantri Bunkar Mudra Yojna' from banks. Weavers groups will be formed to pool resources of many weavers for scaling up. Money thus made available will be deployed as working capital for marketing and manufacturing. Technical advice by experts will be provided to such groups for backward and forward linkages.
- 6.7 Standup India scheme of the GoI will be tapped extensively for potential SC and ST entrepreneurs, especially in silk reeling.
- 6.8 Startup India campaign of the GoI will be leveraged to promote young entrepreneurs.
- 6.9 Self Help Groups (SHGs) of weaver women will be formed to adopt modern looms and market their products.
- 6.10 Families traditionally engaged in embroidery, packaging, decorating, washing and dyeing of clothes will be connected to textile industry for job work. This will be achieved through giving priority to private industrial parks and plug & play facilities near such centers.
- 6.11 Recognising that handloom is a family oriented industry, the State Government will supplement projects approved by the GoI for handloom clusters by providing additional grants of up to Rs 15 lakhs to fill gaps.
- 6.12 New schemes to supplement GoI's programs of modernising handlooms and power-looms will be launched to bring qualitative improvement in product quality and improve working conditions of weavers. Electronic Jacquard machines and modern looms along with better lighting and ventilation facilities will be given under the scheme.

7. ENCOURAGEMENT FOR MARKETING

- 7.1 Modern designers will be associated as mentors and trainers in the existing and new clusters of silk, handloom and power-looms through the Government of India and directly. Technical assistance will be taken from NIFT for this. Renowned designers will be encouraged to adopt clusters so that artisans get benefits of branding.
- 7.2 Four special exhibitions will be organised every year in big cities of the country outside UP to promote the sale of silk and hand/power-loom produced by weavers of Uttar Pradesh. Weavers will be provided assistance to participate in such exhibitions. Approximate expenditure on each exhibition will be Rs. 40 lakhs.

- 7.3 Weavers of the state will be given financial assistance to participate in one or 2 exhibitions abroad which are covered by the Government of India/Development Commissioner, Handlooms. A grant of 90 % of the total expenditure of participation by one person will be given to the weavers on reimbursement basis.
- 7.4 Preference will be given by State Government departments and their agencies to Powerloom and Handloom products manufactured in UP while purchasing items like uniforms and blankets etc.
- 7.5 The State Government shall endeavour to sensitise large Indian and international brands and retailers to source from UP to help provide strong market linkage especially to MSME units in the state.

8. FREIGHT REIMBURSEMENT

- 8.1 To promote the export of Garments, 25% to 75% reimbursement on freight from unit to port, will be provided to new units.

75% for first 2 years

50% for the next 2 years

25% in the 5th year

9. GENERAL

- 9.1 For the purpose of this policy, an employed person / worker means a person working on permanent rolls or on contract or on fixed term contract. .
- 9.2 Specific provisions relating to EDB, made under the “Industrial Investment & Employment Promotion Policy-2017” of the State Government but not mentioned in this Policy will be treated as a part of this policy also.
- 9.3 There will be an overall cap of 120% of fixed capital investment (Land, Building, other Construction, Plant & Machinery and Miscellaneous Fixed Assets) on all incentives combined for MSME textile units under this policy. This limit will be 300% for Mega and Super Mega Textile Units set up in Poorvanchal and Bundelkhand; 200% for Madhyanchal; 100% for Pashchimanchal (Except GB Nagar) and 80% for GB Nagar district.
- 9.4 Incentives & facilities enumerated in this policy will be applicable for new units as well as to units that undertake expansion/ diversification. Units eligible under expansion/diversification will be those in which at least 25% additional investment is made in land, building, plant & machinery, spare-parts and capital goods and installed capacity increases by at least 25%.
- 9.5 It is clarified that all incentives/facilities provided in this policy will be in addition to the facilities received under TUFS or other schemes of Government of India.
- 9.6 The State Government will engage a Project Management Agency (PMA) for policy implementation which will ensure that the policy benefits are widely publicized among national / international investors, brands and other stakeholders through direct reach-out and the probable investors are provided with prompt support for investment.
- 9.7 A mission will be set up to increase Silk Koya and Hemp Fibre production in UP.
- 9.8 The policy will come into effect from the date of notification of the Industrial Investment and Employment Promotion Policy of Uttar Pradesh 2017 and will be applicable for 5 years.
- 9.9 The State Government proposes to keep an annual ceiling of Rs 500 crores on total expenditure on all subsidies under this policy. Savings from this upper limit in any year will be rolled over to supplement the ceiling in the next year so that the cap for the next year will become Rs. 500 crores plus savings of previous year
- 9.10 Units which are eligible for benefits under the previous textile policy 2014 of the state will continue to get benefitted under that policy.
- 9.11 In case of a discrepancy in the English and Hindi versions of this policy, the English version shall prevail.

Annexure: Scope of Work for Project Management Agency

The scope of work, inter alia, would cover:

- **Handholding with the State Government:** PMA would assist the state government in drafting rules / statutory changes and other necessary documents for smooth implementation of the Textile and Garmenting Policy.
- **Development of marketing collaterals:** PMA would develop marketing material such as brochure, flyers, etc. highlighting benefits of investing in Uttar Pradesh. The same may require to be customized for prospective investors from different part of the value chain (fibre to finished products); different geographies, etc.
- **Information Dissemination on State Policy:** PMA would assist State Government in organizing Road Shows/Workshops/Seminars/Media Campaign etc. aimed at sensitizing stakeholders about initiatives and support available under the policy. PMA would also support participation in various national and international textile and apparel sector events to promote investment in UP.
- **Identification of Prospective investors:** PMA would identify potential investors for Uttar Pradesh; Indian as well as international for the entire textile manufacturing value chain e.g. spun yarn, knitting, weaving, nonwovens, processing, garments, made-ups, and technical textiles. It should also include ancillary sector such as garment accessories.
- **Coordination with prospective investors:** PMA would connect with investors on one-to-one basis and market investment opportunity to them. It would also facilitate business meetings and coordination for investor visits and follow-up with individuals/ companies which have expressed their interest to invest. PMA would also assist UP State Government in responding to queries raised by prospective investors and ensure the investments take place in the State.
- **Assistance in mobilization of Proposal under various schemes:** PMA would assist State Government in inviting, scrutinizing and mobilizing of proposals and projects eligible for assistance. PMA would also provide guidance and support to investors for completing their documentation.
- **Evaluation and Appraisal of Techno-feasibility reports and Detailed Project Reports (DPRs):** PMA would assist State Government in selection of projects through Evaluation / Appraisal of techno-feasibility reports and DPRs submitted by the investors.
- **Monitoring and Reporting:** PMA would assist State Government in effective monitoring of these projects by way of providing periodical progress reports on approved projects.

Team Composition

The team for the engagement should comprise of three member core team – 2 on-site staff consultants on full time basis and 1 off-site project lead. The core team would be supported by the other team members remotely for the timely completion of the activities and deliverables.