



Government of Maharashtra

Textile Policy - 2018

The policy is a new wave in textile sector of Maharashtra, which aims to create over **10 lakh** jobs in the next five years and double the farmers' income by the year 2023. With several investor friendly benefits especially in terms of power subsidies, it is expected that textile sector would attract **investment worth INR 36,000 crore** during this period. Further, there is emphasis on invigorating the garment, knitting and hosiery sector, which would benefit the women who form a major part of workers in the state.

The policy initiatives aim to strengthen the cotton sector and rejuvenate the silk & wool sector. The highlight of the policy is the **innovative approach** to promote non-conventional yarn and green energy in the textile sector. A holistic approach was observed while drafting the policy wherein skill development and R&D has been given priority. Under this, state plans to come up with its **first textile university** and set-up world class R&D units within state agriculture universities in collaboration with various Centre of Excellences across the country.

It is the first time, Textile Department is looking at strengthening the finances of the textile sector by creating a **“Textile Development Fund”** which would provide better infrastructure and development of the sector.

1. The Textile Policy 2018-23 highlights are as follows:

- A. **Strengthen the cotton sector** – Encourage and support spinning mills in the cotton growing areas. The focus is to bridge the gap in the value chain by increasing spinning mills and also help in establishment of effluent treatment plant by providing additional capital subsidy.
- B. **Rejuvenate the silk & wool sector** – Until now the focus has been on cotton promotion only; but now the Government also intends to promote wool & silk sector with special focus on Tussar Silk in Maharashtra. Necessary infrastructure and trainings will be provided to the farmers and artisans. Some of the key initiatives include creation of “Adhyatmik Reshim” brand, silk tourism circle, silk cocoon centres, chawki centres, setting up automatic reeling centre, drying units, godowns for storing cocoon before reeling etc.
- C. **Catalyse the potential of the non-conventional yarn** such as Bamboo, Banana, Hemp, Coir, etc. Additional 10% subsidy for its production as well as its use in garmenting and technical textile will be provided. A special cell will be formed at textile department for promotion of non-conventional yarn in the State.
- D. **Harness the high technology sunrise sector of Technical Textile** in areas such as Mobiltech, Meditech, Agrotech, Sportech, etc.





- E. **Textile Parks** - Continuation of scheme providing INR 9 Cr or 9% of project cost (GoI 40 Cr Max) whichever is lower (SITP Scheme Projects). Setting up coastal textile park in Maharashtra at suitable location is also proposed. Presently 14 Textile Parks by private investors and 10 Textile Parks by MIDC are being developed with plug and play facilities and CETP
- F. **Subsidy for green initiatives** - Additional 10% capital subsidy for vegetable dyeing as well as producing and using non-conventional and organic yarn. Further, to promote non-conventional power (solar and wind), only transmission charges will be applicable for those non-conventional power plants.
- G. **Electricity** - A budget provision of INR 150 crore is accounted for electricity subsidy to cooperative spinning mills with a cap of INR 3 per unit. In case the burden on the total budget increases, the cap will be revised suitably. The benefit of powerloom will be extended to knitting, garmenting and hosiery units as well. Also, high tension line units with more than 107 HP will be eligible for subsidy of INR 2 (excluding cooperative spinning mills).
- There will be no cross subsidy charges for open access power for textile units.
- Benefits of power subsidy given to power looms will be extended to knitting, garment and hosiery units as well.
- H. **Human Resource Development** - For academic support "State Textile University" will be set up in Vidarbha providing specialised courses in the focussed sectors. Technical collaboration with institutes such as SASMIRA/ CIRCOT/ Centre for Sustainable Fashion, etc. will be initiated to grant specialized training to the artisans. An International Standard R&D Center will be established at State Agriculture universities.
- I. **Financial strengthening through "Textile Development Fund"** - Fund will be formed through mobilization of assets, privatization of spinning mills, CSR activities of private industries, etc.

2. Capital subsidy scheme for the state is as follows:

A. Subsidy for units in:

- Processing, technical textile, knitting, hosiery, garment: 40%
- Other processes not included in above i.e. ginning and pressing, spinning mill; new power looms based on latest technology and; conversion of plain power loom to latest technology is 25%, however, if a composite unit is set-up which has more than 2 more of these processes then the subsidy will be 35%
- Additional subsidy of 5% to the units belonging to SC/ST and Minority community



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- B. Further, additional capital subsidy of 20% is provided for processing, knitting, hosiery, garment and technical textile units in the Vidarbha, Marathwada and North Maharashtra region. Similarly for other processes such as ginning, composite unit, pressing, spinning mill; it is additional 10%.
- C. Additional 10% capital subsidy for vegetable dyeing as well as producing and using non-conventional yarn.
- D. Projects with investment of more than INR 500 Crores would get an additional 5% subsidy and for pioneer projects in a tehsil, additional 5% subsidy will be provided.
- E. Capital subsidy would be disbursed in two equal instalments at 3rd and 15th month from the date of commencement of production in the unit.

The state scheme of 25% of project cost or INR 37.50 crore whichever is lower for IPDS projects is continued in the new policy as well. Capital subsidy is also provided for machinery required for ZLD-ETP/CETP.

Further, matching grants would be given to units in accordance with centrally sponsored IN-SITU-Upgradation scheme for power looms.

