



**JHARKHAND**  
Textile, Apparel and Footwear  
**Policy 2016**

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## **JHARKHAND TEXTILE, APPAREL AND FOOTWEAR POLICY 2016**

### **1.0 INTRODUCTION**

- 1.1** Jharkhand, one of India's newest states, was carved out of the southern portion of Bihar in 2000. It is a land locked territory bound by the state of Bihar on the north, West Bengal on the east, Orissa on the south, and Chhattisgarh on the west. Jharkhand's proximity to the Ports of Kolkata (400 km from Ranchi), Haldia (420 Km from Ranchi) and Paradeep (560 Km from Ranchi), makes the State attractive for it to be an ideal location for Export Oriented Units (EOUs), interested to enter in emerging markets of South East Asia considering the freight advantage with safe, smooth and faster movement of their produce. In addition to this, Jharkhand is also having dry port facility at Jamshedpur.
- 1.2** The industrial city of Ranchi is its capital and Dumka its sub capital and Jamshedpur as the largest city in the state and one of the most industrialized cities in the Country. The region with an area of 74,677 sq. km and a population of 32 million has infinite scope for growth and development.
- 1.3** With an enormous potential for industrialisation and large deposits of minerals (around 40 percent of India's mineral wealth) which provide a solid launching pad for all kinds of industries, the state is widely acclaimed as the region of future. It ranks first in the country in production of Tasar Silk as well as in the production of Coal, Mica, Kyanite and Copper in India.
- 1.4** The state is rich in forests and minerals complementing its vibrant tribal culture, art and crafts. The uniqueness of natural resources existing in the state has supported many crafts which are being traditionally practiced. Stone artefacts of Palaeolithic age, Malhore's Dhokra, iron-smelting culture of Asurs, painted rock caves of Barkagaon in Hazaribagh, all point to early metallic and artisanal traditions. Tribals from Austo-Asiatic, Dravidian and Indo-Aryan families along with the latter settlers have added new dimensions to art and craft of the state which has made Jharkhand's past a prologue to its future. Wild taser silk, lac, sal and palm leaves and other forest produce remain important to craft production in the state. It's not enough to call Jharkhand a treasure house of ethnic arts and crafts. It is a repository of memory, of beauty, of generosity, of authenticity, of values, and of extraordinary and unexpected potential that reflect Jharkhand's ability to reach beyond words, to follow their dreams.
- 1.5** There has been large scale change in industrial environment due to economic liberalisation, privatisation and globalisation. Strong emphasis is being placed on Micro, Small and Medium Enterprises (MSME). Clusterisation is being promoted, pollution norms have become more stringent, concept of 'go' and 'no go' zoning has been developed for mining clearances etc.
- 1.6** The Jharkhand Government is working towards improving exports, skill development, mineral based products, handicrafts, handlooms, agriculture and processed food products to ensure increased industrial development across the state. Jharkhand is also wooing investors

in mineral exploration, plastics and rubber, chemicals, electrical, cement, metallurgy and automobile components, and equipments for heavy engineering companies.

- 1.7** Around 30% of Jharkhand's geographical area is covered with highly bio-diversified forests, thus giving opportunity for development of minor forest produce based industries and herbal based industries. Also, its agro-climatic condition is suitable for development of agri-based and allied sector industries.
- 1.8** Jharkhand is progressing fast on adopting best practices for making an investor friendly environment in the state to facilitate investments, employment generation and welfare of the people. Measures like Jharkhand Investment Promotion Board, single window clearance, online payments, online verification, third party certifications, self- certification, time bound approvals, availability of information online, standard operating procedures for approvals, deemed approvals, etc. are being adopted by various departments and government agencies.
- 1.9** Jharkhand has always offered a wide range of industries with a strong locational advantage with smooth access to natural resources, such as minerals and water, located in close proximity to advanced as well as emerging markets. The vast potential of the Indian hinterland is open to it, and the State has access to all major ports of the east, including the region's only weather deep port at Dhamra. Such favourable conditions have attracted large number of industries to Jharkhand. With industries coming to Jharkhand on one hand, and a large population base (25% of country's population including population of Jharkhand and adjoining states) on the other, Jharkhand has opened up a plethora of opportunities for the investors and the markets as a whole.

## **2.0 TEXTILE AND APPAREL SECTOR IN INDIA**

- 2.1** India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and the second largest employer after agriculture. The industry realised export earnings worth US\$ 41.4 billion in 2014-15, a growth of 5.4 percent.
- 2.2** The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.
- 2.3** The Indian textiles industry is extremely varied, with the hand-spun and handwoven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.
- 2.4 Market Size**
- 2.4.1** The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to India's Gross Domestic Product (GDP), and accounts for 14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share
- 2.5 Textile and Apparel exports**
- 2.5.1** Textile and apparel exports from India are expected to increase to US\$ 82 billion by 2021 from US\$ 40 billion in 2014. Readymade garments remain the largest contributor to total textile and apparel exports from India. In FY15 the segment had a share of 40 per cent of all textile and apparel exports. Cotton and man-made textiles were the other major contributors with shares of 31 per cent and 16 per cent, respectively.
- 2.5.2** Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. Foreign direct investment (FDI) in textile sector increased to US\$ 1,587.8 million in FY15 from US\$ 1,424.9 million in FY14. The Ministry of Textiles is encouraging



investments through increasing focus on schemes such as Amended Technology Up-gradation Fund Scheme (ATUFS).

- 2.5.3 As per the 12th Five Year Plan, the Government plans to provide a budgetary support of US\$ 4.25 billion to textiles. Free trade with ASEAN countries and proposed agreement with European Union will also help boost exports.

## **2.6 Initiatives of Government of India:**

- 2.6.1 The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. Some of initiatives taken by the government to further promote the industry are as under:

- a) The Union Cabinet has cleared a Rs 6,000 crore (US\$ 889.44 million) package for the textile sector, aimed at attracting investments worth Rs 74,000 crore (US\$ 10.95 billion) generating 10 million jobs and increasing textile exports by US\$ 30 billion in the next three years.
- b) The Department of Handlooms and Textiles, Government of India, has tied up with nine e-commerce players and 70 retailers to increase the reach of handlooms products in the Indian market, which will generate better prices and continuous business, besides facilitating direct access to markets and consumers for weavers.
- c) The Union Ministry of Textiles, which has set a target of doubling textile exports in 10 years, plans to enter into bilateral agreements with Africa and Australia along with working on a new textile policy to promote value addition, apart from finalising guidelines for the Amended Textile Upgradation Fund Scheme (ATUFS).
- d) The Government of India has started promotion of its 'India Handloom' initiative on social media like Facebook, Twitter and Instagram with a view to connect with customers, especially youth, in order to promote high quality handloom products.
- e) The Ministry of Textiles launched Technology Mission on Technical Textiles (TMTT) with two mini-missions for a period of five years (from 2010-11 to 2011-12 in the 11th five year plan and 2012-13 to 2014-15 in 12th five year plan) with a total fund outlay of Rs 200 crore (US\$ 29.6 million). The objective of TMTT is to promote technical textiles by helping to develop world class testing facilities at eight Centres of Excellence across India, promoting indigenous development of prototypes, providing support for domestic and export market development and encouraging contract research.
- f) The Government of India is expected to soon announce a new National Textiles Policy. The new policy aims at creating 35 million new jobs by way of increased investments by foreign companies
- g) Subsidies on machinery and infrastructure
  - i. The Amended Technology Up gradation Fund Scheme (ATUFS) covers one time capital subsidy for investments in the employment and technology intensive

- segments of the textile value chain with maximum subsidy for overall investment restricted to Rs 30 crore .
- ii. Under the Scheme for Integrated Textile Parks (SITP), the Government of India provides assistance for creation of infrastructure in the parks to the extent of 40 per cent with a limit up to Rs 40 crore (US\$ 6 million). Under this scheme the technical textile units can also avail its benefits.
  - iii. The major machinery for production of technical textiles receives a concessional customs duty list of 5 per cent.
  - iv. Specified technical textile products are covered under Focus Product Scheme. Under this scheme, exports of these products are entitled for duty credit scrip equivalent to 2 per cent of freight on board (FOB) value of exports.
- h) The Government of India has implemented several export promotion measures such as Focus Market Scheme, Focus Product Scheme and Market Linked Focus Product Scheme for increasing share of India's textile exports.
  - i) Under the Market Access Initiative (MAI) Scheme, financial assistance is provided for export promotion activities on focus countries and focus product countries.
  - j) Under the Market Development Assistance (MDA) Scheme, financial assistance is provided for a range of export promotion activities implemented by Textiles Export Promotion Councils.
  - k) The government has also proposed to extend 24/7 customs clearance facility at 13 airports and 14 sea ports resulting in faster clearance of import and export cargo.
  - l) The Ministry of Textiles has approved a 'Scheme for promoting usage of geotechnical textiles in North East Region (NER)' in order to capitalise on the benefits of geotechnical textiles. The scheme has been approved with a financial outlay of Rs 427 crore (US\$ 63.3 million) for five years from 2014-15.
  - m) A Memorandum of Understanding (MoU) has been signed between India and Kyrgyzstan seeking to strengthen bilateral cooperation in three fields -Textiles and Clothing, Silk and Sericulture, Fashion

### 3. TEXTILE AND APPAREL SECTOR IN JHARKHAND

- 3.1** Jharkhand, in its Industrial and Investment Promotion Policy 2016 has declared textile as a “Thrust Area”. Jharkhand has experienced phenomenal growth in Sericulture Sector. In order to maintain the leading edge and rejuvenate existing rural industries including sericulture, handloom, handicraft, khadi, textile etc., it is envisaged to assist them in modernization/ technological up-gradation and provide necessary common facilities, backward and forward linkages including product design, marketing support etc. so as to make them globally competitive and their product remunerative. Silk products from state are famous for its quality and have good demand in country as well as international markets.
- 3.2** Jharkhand ranks first in the country in production of Tasar Silk. In order to maintain the leading edge and give special thrust to the sector, Jharkhand Silk, Textile and handicraft Development Corporation (JHARCRAFT) was established in 2006 to provide support in design, training, entrepreneurship development, marketing, raw material support in clustered and organized manner by grouping local artisans, SHG’s and NGOs involved in similar activities.
- 3.3** JHARCRAFT has emerged as a brand not only in the country but also abroad. JHARCRAFT is supporting more than 2.0 lakh rearers, reelers, spinners, weavers, artisans etc. It also maintains cocoon banks using existing infrastructure besides creating new infrastructure with the financial support of the State Government and has 18 marketing outlets in cities including Ranchi, Delhi, Kolkata, Bangalore, Ahmedabad and Mumbai. Marketing is also being extended under franchisee mode.
- 3.4 Development of Handloom**
- 3.4.1** In addition to silk weaving, state has taken steps for revival of cotton wool weaving. Handloom fabric woven with cotton, wool or silk yarn has a strong presence in the districts of Ranchi, Latehar, Palamu, Ramgarh, Dhanbad, Bokaro, Godda, Pakur, Sahebganj and Khunti. There are 162 Primary Weavers Co-operative Societies and one Regional Handloom Co-operative union in the State. They were under stress since 1996 as there was paucity of raw materials, lack of new designs and marketing opportunities. This sector has been revived after a gap of 12 years.
- 3.4.2** More than 80 societies have become functional. In Palamu area, wool weaving is done traditionally. Earlier, very coarse blankets and shawls were woven. Today, good quality blankets, shawls, tweeds, scarves and mufflers are being woven.
- 3.4.3** In cotton clusters also, quality of weaving has improved. Earlier fabrics were woven on 48-52 reeds; today, 100-120 reeds are used. Yarn of 2/17, 2/20 and 10s were used; now weavers are using 2/40, 2/60, 2/80, 100-200 count yarns for finer weaving. They have started using jacquard and dobby also.
- 3.4.4** Fifteen cluster development schemes are being implemented for cotton weavers, for carpet and wool weaving. This will help create employment for more than 4000 weavers in the next two years.



3.4.5 35 mini handloom clusters have been sanctioned by Government of India with each cluster consisting of 250-300 weavers. The scheme is being implemented by Jharcraft with an objective to:

- Provide basic infrastructure to weavers such as looms and accessories
- Training for skill upgradation, design support and marketing support

### **3.5 Mega Handloom Cluster**

3.5.1 The Mega Handloom Cluster scheme has been sanctioned by Government of India; Developer and consultants have also been selected. DPR of Mega Handloom cluster has been approved by PAMC under comprehensive Handloom Cluster Development scheme (CHCDS). All six districts of Santhal Pargana i.e. Deoghar, Dumka, Godda, Sahebganj, Jamtara and Pakur will be covered under this Mega Handloom cluster.

3.5.2 DPR of the said Mega cluster with total project cost of Rs. 76.57 crore (with Gol's share of Rs. 69.99 crore and remaining Rs. 6.58 crore by SPV/beneficiary/State Govt.) has been approved by PAMC. About 25000 handlooms will become functional at the end of fifth year of project and this will help more than 1,00,000 weavers.

### **3.6 Development of Sericulture**

3.6.1 Jharkhand, traditionally a Tasar producing state, is the leading producer of Tasar silk in the country. It was mainly producing Tasar cocoons (Raw material of Tasar silk).

3.6.2 Jharkhand accounts for seven per cent share in India's silk production and 40% share in the tasar silk production. The state has 76.4 per cent share in the total output. In 2014-15, the production of raw silk stood at 1,946 metric tonnes. Jharkhand primarily exports tasar silk to the US, the UK, Germany, France, Turkey, Japan, Australia, Sweden and Switzerland.

3.6.3 State Govt. is keen to develop Tasar post cocoon activities in the state in view to provide employment opportunities particularly for the women in the rural areas. To develop post cocoon activities, Common Facility Centres (CFCs) are being established where facility of reeling machines and other necessary equipment are provided for Tasar silk reeling for a group of 30 women. After training, the women group is involved in production of Tasar silk. The marketing support is provided by Jharcraft.

- a) It is proposed to organize reares, spinners, reelers and weavers into SHG and clusters on prominent place in industrial areas, urban centre, district HQ etc. in park mode activities
- b) It is proposed to strengthen one year certificate course of JSTDI, Chaibasa in consolidated course covering Sericulture, weaving, Dyeing and Printing in common syllabus
- c) For meeting physical target, efforts will be made to get financial assistance from Central Silk Board, NABARD, RKVY, National Livelihood Mission and National Skill Development Corporation including other funding agencies of GOI (welfare dept. etc.)
- d) It is also proposed to earmark some funds for Research and Innovations in this sector

- e) In addition to rearing of Daba Eco Race, efforts will be made for the rearing of Laria Eco Race of Tasar on Sal trees. This is going to be one of the important activities in this sector. This will pave the way for export oriented Tasar silk production in the country. Jharkhand will guide the other States in Tasar sector
- f) Ahinsa and organic branding of silk with competent certification will be ensured

### **3.7 Textile and Apparel Parks**

Industrial area with common infrastructure needed for textile and apparel industries plays a major role in development of textile and apparel sector in the state. Again, specialization of a particular product based on the location, raw material and other advantages boosts the niche market contribution in the state. With this in mind, Jharkhand has already developed few parks in the Textile and apparel sector and has proposed to build some more in this area:

#### **3.7.1 Silk Park at Rajnagar (Saraikela-Kharsawan)**

Government of Jharkhand has sanctioned setting up of a Silk Park at Rajnagar, Saraikela Kharsawan for development of Handloom, silk and other related activities. The implementing agency for this project is Jharcraft.

Spread over an area of 5 acres, the Silk Park shall include basic infrastructure such as Grainage buildings, each having Taser seed cocoon Preservation capacity of 1 lakh, CFC (Reeling/ Spinning) cluster sheds, weaving cluster sheds, deep boring, pump house, boundary wall etc.

Employment generation to the tune of 3500 people, including 2800 taser growers, 240 women spinners and 160 weavers shall take place as a result of establishment of this silk park.

#### **3.7.2 Silk Park at Irba, Ranchi:**

The state government is setting up silk parks in 4 districts to promote exports. During the first phase of project, INR 14-crore Silk Park is being set up in Ranchi for reeling, 5.0 Institutional Mechanism for Export Facilitation of Jharkhand.

spinning, weaving, Dyeing and finishing units. This will significantly boost the handloom sector in the state and lead to employment generation and value addition of the diversified production of Handloom.

It shall house facilities like loom centres, dyeing halls, laboratories, design centres, dispensary, exhibition hall, retail sales division and godowns. A weavers' training centre will impart training for better end results. The park is spread in 5 acres of land on Irba Road in Ranchi and is being developed by JINFRA under ASIDE scheme.

The main objective behind setting up a silk park is to promote exports in the state, which will in-turn add to its economic development.

#### **3.7.3 Mega Textile Park at Deoghar**

Government of Jharkhand through Jharkhand Industrial Infrastructure Development Corporation (JIIDCO) has proposed Mega Textile Park at Mohanpur, Deoghar district over

an area of around 250 acres for carrying out activities such as ginning and pressing, spinning mill, weaving, processing, knitting and garmenting.

Government of Jharkhand intends to seek assistance of Government of India to an extent of INR 200 crore in developing the aforementioned Mega Textile Park. This will enable government to avail 100% FDI under the automatic route in the textile sector without seeking any prior approval and create conducive ecosystem for promoting private investments-domestic and global.

This project also intends to avail the opportunity of the immense scope for expansion and employment generation ability of textile sector. It is expected that the project will generate employment of around 5500 - 6000 semi-skilled employees and another 1200-1800 skilled employees. With the development of these industries, multiplier effect will herald overall economic development of the region in terms of new constructions, new services, facilities and systems etc. which would bring in additional employment to 18000 people.

The project is envisaged to be developed under the Scheme of Integrated Mega Textile Park set out by Ministry of Textile, Government of India. Implementation of scheme will be through a Special Purpose Vehicle (SPV) which will carry out the business of developing, operating and maintaining the infrastructure, amenities and other common facilities created in Mega Textile Park.

Infrastructure in the park shall include common facilities such as Testing laboratory(Including equipment), Design centre (Including equipment), Training Centre, Trade and display centre, Conferencing and Meeting Facilities, Warehouse/ raw material, Packaging unit, Canteen/ worker hostels, Workers hostels, Recreation centre etc. Also, the support infrastructure shall include Boundary wall, Roads, Electricity supply, Common Solid Waste Management and Disposal System, Treated Water Supply System, Storm Water Management, Rain water Harvesting, Common Effluent Treatment Plan and Street Lights.

## **4. VISION AND OBJECTIVES**

**4.1** Government of Jharkhand (GoJ) aims to promote and develop a robust textile and apparel industry that provides sustainable employment to weavers and posits Jharkhand as a destination of choice to global textile majors. The policy aims to modernize textile manufacturing and improve productivity in order to ensure availability of quality fabric at affordable prices to cater to domestic and international demand.

### **4.2 Vision:**

- (a) To establish the textile and garment industry of Jharkhand, as a producer of internationally competitive value added products thereby maintaining dominant presence in the growing domestic and international market and contributing to the sustainable employment and economic growth of the State
- (b) To reinforce the value chain of the textile industry across the State through capital infusion, technology transfer, skill up-gradation and handholding

### **4.3 Objectives:**

- (1) To achieve higher and sustainable growth in the entire textile value chain from fibre to finished products, with emphasis on balanced regional development:
  - a) strengthening and enhancing capacity of all the essential value chain activities such as Spinning, Weaving (Handloom and Powerloom) including pre loom activities, Knitting, Processing, Garmenting, Technical Textiles and other supporting ancillary activities including Textile Machinery Manufacturing
  - b) Promoting well- being of the cooperative sector spinning mills
  - c) Supporting and strengthening the power loom sector in order to modernize production technologies, enabling supply of good quality fabrics in the required quantum
  - d) Making Information Technology (IT) an integral part of the entire value chain of textile production and thereby facilitate the industry to achieve international standards in terms of quality, design and marketing
- (2) To equip the Industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market
- (3) To liberalise controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment
- (4) To facilitate emerging Technical Textiles in critical areas such as production, technology and research and development. The Policy will encourage integrated development in the sector aiming to sustainability of the textile units in the State
- (5) To support the industry with skilled human resource and to create at least 5 lakhs new employment opportunities in the State under the Policy period:

- a) Strengthening the process of bridging the skills gap by providing better institutional linkages, creating a good pool of trainers by conducting Training of Trainers and the Assessment and Certification process to ensure the quality of training program
- (6) Infrastructure development to make Units globally competitive and meet the export compliance through Cluster based Textile Parks, Mega Projects and CETPs etc.



## 5. CAPACITY BUILDING

- 5.1** With the textile and apparel industry providing employment opportunities to over 45 million people directly and 60 million people indirectly, Government of Jharkhand understands the need to focus on capacity building measures for improving support systems so that the emerging opportunities on account of globalization and liberalization are exploited. The government strives to provide expertise and hand holding support to all stakeholders and equipping them with necessary knowledge and skills so as to achieve and sustain visible socio-economic development.
- 5.2** The policy has laid emphasis on creation of opportunities that would directly augment employment in the State. The training module should be developed with close involvement of industry and other stakeholders in the planning and implementations stages for development of sector-specific skills for textiles and apparel. The policy also recognises the need to develop 'Centres of Excellence' and empower them by bestowing sufficient autonomy in its academic, administrative, and management areas.
- 5.3 National Institute of Fashion Technology (NIFT):**
- 5.3.1** It has been proposed to set up NIFT Campus in Ranchi, Jharkhand. The Ranchi Campus will offer undergraduate, postgraduate level programmes in areas of fashion technology through School of Design and School of Fashion Technology and Management. It will also offer Certificate Programmes through its continuing education programmes offered by the proposed Centre for Industrial, Artisan, and Crafts persons' Interaction (CIACI).
- 5.3.2** The Campus will have a unique and state-of-the- art Resource Centre (RC) housing a library, information centre, design studio, and handicraft and handloom museum and space for CIACI. RC Users will have access to a variety of both print and non-print knowledge resources; wherein it will actively contribute to knowledge creation through applied research.
- 5.3.3** Apart from generating an exhaustive digital emulation of all the resources, the Resource Centre will have a design studio and a handicraft and handloom museum gallery, to act as a repository of design based information for the usage of the state. Apart from administrative, recreational blocks, the Campus will also provide residential facilities for the faculty, staff and students.
- 5.3.4** The permanent campus of NIFT Ranchi is expected to be ready by 2019 which would be funded by the Government of Jharkhand. At peak strength, a total of 670 students will be registered for the full-time undergraduate and postgraduate programmes in 2020-21.
- 5.4 Footwear Design and Development Institute (FDDI):**
- 5.4.1** It has been proposed to set up Footwear Design and Development Institute (FDDI) in Jharkhand so that the mismatch of the trained manpower requirement in this sector is balanced and critical support to the Industry in the area of Design, Technology and Management is provided

through which industries can become more competitive, in terms of Design, Cost, Quality and Delivery Time, in the global market.

- 5.4.2 The campus is proposed to have state-of-the-art facilities - Library, Sports Facilities, Auditorium, Hostels for Boys and Girls, IT Labs etc. It shall offer a vista of courses under different disciplines and ensures adequate opportunities for research, training and development in the highly selective field of Indian fashion industry. Helping to nurture young talent, the institute shall provide training of human resource for the Indian industry and shall be instrumental in enhancing their global competency and performance.

## **5.5 Jharkhand Institute of Craft and Design (JICD)**

- 5.5.1 State Government has sanctioned Jharkhand Institute of Craft and Design, Ranchi to create professionals for traditional creative industries. It aims to improve the quality of life by developing technically qualified professionals which will aid in socio-cultural and economic development for a sustainable future. It also aims to develop a unique pedagogy based on craft and design with the help of NID, Ahmedabad.
- 5.5.2 The mandate of the JICD is to impart education, training and consultancy in the area of craft and design.
- 5.5.3 Training program for JICD will be as under-
- a) Department of Textile and Apparel design (4 years degree course)
  - b) Department of Craft and Culture
    - a. Experience design (4 years degree course)
    - b. Product and artefact design (4 years degree course)
    - c) Craft Management and Entrepreneurship (4 years degree course)
    - d) Graphic communication design and Animation and Film design (4 years degree course)
    - e) Certificate programs (03 months/ 06 months/01 year certificate course)
- 5.5.4 Number of students for 04 years degree courses shall be 80 and number of trainees for certificate course shall be 320.

## **5.6 Skill Development**

- 5.6.1 Skill development efforts in the area of Sericulture, Handloom and Handicraft have been intensified with the setting up of:
- Jharkhand Silk Training Centre, Kharsawan, in collaboration with NIFT, Kolkata
  - Saheed Nirmal Mahto Institute at Bhagaiya in collaboration with NID, Ahmedabad
  - Apparel Training Centre, Namkum, Ranchi in collaboration with Export Promotion Council, GOI
  - Weaver's Training Centre, Ranchi, Saraiyahat (Dumka), Latehar, Jamshedpur, Gumla and Madhupur (Deoghar)

- 5.6.2 Further expansion of this sector for setting up of reeling / spinning / weaving / processing and finishing etc. is envisaged in PPP mode with viability gap funding.
- 5.6.3 State Govt. will make efforts to set up in each district of the State at least one unit for sericulture, handloom, handicraft (one of these or mixed) activities for generation of direct employment.
- 5.6.4 In the other segments in textile and apparel sector, skill development shall be done through Jharkhand Skill Development Mission Society and other public and private institutions.

## **5.7 Jharkhand Skill Development Mission Society (JSDMS)**

- 5.7.1 Jharkhand Skill Development Mission Society (“JSDMS”) was registered on 1st October, 2013 under the Societies Registration Act, 1860 to focus on skill development of sectors such as Agriculture, Apparel, Made Ups and Home Furnishing, Handicrafts, Textile and Handloom among others

### **5.7.2 The primary objectives of JSDMS are:**

- (a) To increase the employability of the youth and empower them to take part in the economic growth of Jharkhand and India and thereby reduce unemployment, under-employment, poverty and socio-economic inequality;
- (b) To provide skill development training to the youth of the State;
- (c) To develop self-employment and entrepreneurial skills for youths of Jharkhand;
- (d) To assist in creating an enabling environment to attract investment in professional and skill development sector;
- (e) To assist the State Government in formulating appropriate policy, legislations and/or measures to fulfil the skill gap;
- (f) To monitor the costs and quality of training imparted to produce targeted number of high quality skilled personnel across various strata of youth and workers, especially from amongst the disadvantaged sections of the society;
- (g) To create effective convergence between school education, professional courses and various skill development efforts of Central and State Governments;
- (h) To promote and carry out, on its own or on behalf of the State Government, activities to generate awareness, research and study on skill demand;
- (i) To increase the skill training facility in the state of Jharkhand.

## **5.8 Strengthening of Jharcraft and State Khadi and Village Industries Board**

- 5.8.1 Jharcraft is a known brand not only in India but throughout the world. Jharcraft supports more than 3 lakh artisans, weavers and others in the state and plays a major role in establishing brand Jharkhand.
- 5.8.2 To strengthen this organization, GoJ has appointed internationally renowned consultants-KPMG to suggest the state on the following:

1. Assess the existing organization structure and manpower requirement with respect to its activities in last 5 years
  2. Create revised functional organization structure with respect to the mandate of the agencies and the requirements as activities envisaged in future (short, middle, long term)
  3. Define roles and responsibilities for each post, service rules for each post
  4. Develop and plan for transition from current position to new organizational structure, including reallocation of existing staff, finding gap for new recruitment and reskilling surplus manpower etc.
- 5.8.3 In addition to the above, Jharcraft has been given the task of providing textile and apparel materials for welfare schemes of the Government, schools, hospitals and other institutions. It is expected to improve the employment generation in the state.
- 5.8.4 Jharkhand State Khadi and Village Industries Board is also playing a leading role in the development of Khadi, Village industries and for the development of traditional artisans in the State. It has organization base throughout the state. To strengthen this organization, GoJ has appointed internationally renowned consultants- KPMG to suggest the state on the abovementioned areas.

## **5.9 Strengthening of seed sector**

- 5.9.1 For development of sericulture, availability of Tasar seed is the most important factor. To fulfil the requirement of tasar seed, Government of Jharkhand intends to strengthen the seed sector by providing trained and skilled manpower besides adequate allocation of funds. For this, efforts will be made for:
- Periodical training of sericulture farmers to transfer new rearing/grange techniques
  - Development of mulberry sericulture in selected districts
  - Providing marketing support to sericulture farmers. Conservation programme for local tasar variety of laria and midia in Tasar production

The expertise of Central Silk Board shall also be utilised for this purpose.

## **5.10 Incubation Centres**

- 5.10.1 Government of Jharkhand aims to create an integrated workspace and linkages-based entrepreneurial ecosystem for start-ups that is operationally and financially viable and increases the chance of success of start-ups and decreases the time and costs required to establish and grow a new business. The outcomes envisaged include:
- Promote entrepreneurship in apparel manufacturing
  - Create additional manufacturing capacity
  - Generate additional employment opportunities
- 5.10.2 Government of Jharkhand intends to establish an incubation facility in the textile parks and other higher educational institutions in textile and apparel sector.

- 5.10.3 The period for each Incubatee shall be three years. It is envisaged that during this period the entrepreneur shall have acquired the capability and skills to independently operate his own venture.
- 5.10.4 Government of Jharkhand intends to set up first incubation centre at Silk Park, Irba under the scheme for setting up of incubation centre in apparel manufacturing. Ministry of Textiles shall provide grant assistance as mentioned below:

Component	Grant Assistance
Infrastructure Support	100% grant-in-aid will be provided towards infrastructure support not exceeding Rs 4 cr per incubatee and Rs. 12 cr per Incubation Centre
Capacity building support and linkages	100% grant -in-aid towards Capacity Building Services and Linkages @ Rs 31 lacs (maximum) per incubatee

- 5.10.5 Government of Jharkhand shall sanction additional incubation centres from state budget in higher educational institutions in textile and apparel sector located in Jharkhand

### 5.11 Centre of Excellence for Textiles / Technical Textiles

- 5.11.1 With the change in the trend in textile sector and technical textile being a knowledge based research oriented industry there is a need for Centre of Excellence for textiles. A Centre of Excellence for textiles will be setup in the State in co-operative arrangement with Government of Jharkhand as the lead partner duly supported by other institutes having requites capacity such as Bombay Textiles Research Association (BTRA) or any leading technical institution of the State. The Centre of Excellence will be funded by the State Government
- 5.11.2 Various activities which will be undertaken by the Centre of Excellence are:
- (i) Research and Development
  - (ii) Human Resource Development
  - (iii) Testing and Evaluation of Textiles
  - (iv) Technical Services and Consultancy
  - (v) Instrumentation
  - (vi) Incubation Centre
  - (vii) Publication of industry journals
- 5.11.3 The centre will assist the manufacturers in development of standard technical textile products and users in adopting the technical textile products in the most scientific way. The goal is to enhance the knowledge base in composites through R&D and training. R&D projects will be undertaken in the field for development of technical textile fibres (natural and



synthetic fibres), development of woven and nonwoven products, technologically updated manufacturing process, design and testing facilities etc.

- 5.11.4 Centre of Excellence would play an instrumental role in design development and forecasting fashion trends in textile sector. It would provide assistance in organizing workshops and training programs and would also provide strong mentoring support from industry experts on achieving technical expertise for new investors
- 5.11.5 Quality Certification will also be established for the manufacturing process and the finished goods, as per the international standards which would encourage exports
- 5.11.6 Incubation centre will be established in order to catalyze new product development, channelize production and marketing activities of technical textile products. New investors may utilize the incubation centre for product development and preparing prototype for commercial production
- 5.11.7 Incubation centre will provide a diversified basket of business solutions to the small start-ups, which have good business ideas, but no background to exploit the proposition commercially. It would provide venture space with office facilities, shared resources and business network support, to work on their ideas before getting into the mass production
- 5.11.8 The Centre of Excellence will also establish an Information Centre to facilitate dissemination of information through sample exhibits, awareness programmes, e-library, video conferencing and publication of books and papers and technical know-how to the manufacturers and users of technical textile products

## **5.12 Entrepreneurship Development Program (EDP):**

- 5.12.1 To attain a considerable growth and development in the Small and Medium Enterprises (SME) sector through emerging efficient entrepreneurs. Higher education institutions in textile and apparel sector shall be encouraged to conduct tailor-made Entrepreneur Development Programmes. The programs shall provide the basic knowledge on entrepreneurship qualities, with emphasis on skills and behaviours, to the emerging entrepreneurs apart from disseminating the benefits of the textile policy and creating awareness on technical part of textile sector.

## **6. STRATEGY FOR SECTOR DEVELOPMENT**

**6.1** Government of Jharkhand understands that achieving the ambitious vision of building state of the art production capacities in the field of textiles and apparels as well as developing a vibrant handloom and handicraft sector for sustainable economic development and promoting and preserving the age old cultural heritage in these sectors requires definite strategic measures to be taken. Implementation of a clear strategy is an essential prerequisite for boosting investments and development of sector. Accordingly, Government of Jharkhand has identified the following strategies:

### **6.2 Cluster Based Development Strategy:**

- (a) The cluster based development is an all-encompassing approach, which endeavors to provide support to the units in the sector collectively. This approach benefits the industry as a whole rather than providing dispersed benefits
- (b) The cluster development model is aimed at achieving collective efficiencies in each of the key facet of their business right from provision of modern physical and social infrastructure, bulk sourcing of raw materials, procurement of modern technology and equipment, institutional financing support and access to organized domestic and international markets to implementing modern manufacturing and trade practices and also suitable environmental protection measures. The underlying objective of the initiative is to position SMEs on a level playing field with large players while retaining their integrity as individual businesses
- (c) The clusters will be organized / developed in a manner such that a group of entrepreneurs who produce and sell a range of related or complementary products and, thus, face common challenges and opportunities, come together with a view to achieve collective efficiency and penetrate markets beyond their individual reach. Further the clusters will be developed as per the guidelines set for Scheme for Integrated Textile Park (SITP), under Ministry of Textiles, Government of India

### **6.3 Brown field Cluster Development:**

- (a) A cluster based development strategy is proposed to be adapted for the existing industrial estates having textile units, in the State. These units may belong to sub sectors of the value chain or an integrated textile unit
- (b) The objective is to continue the sustainable growth of the sector and become internationally competitive through expansion or technology up-gradation
- (c) Associations could be formed with Textile Units in the existing industrial estates or outside to approach the State Government for funding of specific common infrastructure such as CETP etc. and common amenities which are currently not available
- (d) State Government may also provide funding for developing soft inputs for the units in the industrial estate and nearby it. These soft inputs maybe provided in the form of skill development, marketing/ branding and capacity building. The association may carry the operations and maintenance activities of these common amenities

#### **6.4 Eco Textiles**

- (a) Currently, consumers are concerned about the environmental activities. Consumers are becoming conscious to environment friendly goods and prefer products which are non-toxic in nature. This tendency for eco-friendly products has been extended to Textile and Apparel products, particularly those products which directly come in to contact with the skin
- (b) The textile and apparel manufacturers should evaluate each and every stage of the supply chain and production cycle of their products to minimize various environmental hazards posed. They should pay special attention to the selection of dyes and chemicals which are low in formaldehyde content, free from pesticides, heavy metals etc.
- (c) Certification process would ensure that global standards of organic production and processing have been met. It would authenticate the company and its products and increase its credibility in international market
- (d) Policy to be focused on eco-friendly manufacturing and eco-labelling of products. State Government will promote eco-friendly fabric and apparel manufacturing projects which conforms to specifications laid out as per international benchmark
- (e) Infrastructure facilities within the project may include water supply, biological and chemical effluent treatment plants, alternative electricity supplies, steam and compressed air-all designed to include energy-saving processes
- (f) To encourage eco textiles in the State, Government will promote companies complying to certain standards of organic production and processing

#### **6.5 Technical Textile**

- (a) In India, the value-added textile industry is collectively grouped into a single sector commonly referred as technical textiles. This sector encompasses fibre into industry products. Indian technical textiles industry is nascent and highly fragmented (b) As per a study conducted by PHD Chamber of Commerce, Country's technical textiles market which is currently estimated at \$14 billion is likely to reach a level of \$32 billion by 2023, by diversifying towards non-woven technical textiles and forging global partnerships with counterparts, according to a study.
- (c) Technical Textiles and non-woven products are used across a wide range of economic activities such as agriculture, construction, defense, roads/highways, dams, hospitals, automobiles, shipbuilding, aircrafts, aerospace, packaging, upholstery/ interior furnishings, sport equipments, environmental protection, hoardings, etc.
- (d) As Technical Textiles is one of the major emerging sectors in textile value chain, Government of Jharkhand is putting special thrust on technical textiles sector. Jharkhand has the potential to become the global hub for the manufacture of technical textiles and non-wovens, for which there is a huge national and international market

## **6.6 Enabling Business Environment**

6.6.1 Government of Jharkhand has accorded highest priority for improving business eco-system in the state. It understands that Industry consultation, timely clearances, responsive administration and transparent government are the corner-stone for improving business environment and boosting investor's confidence. Various initiatives of the State Government include:

### **1. Single Window Clearance Mechanism**

For the promotion of investment and industries in the Jharkhand State, Department of Industries, Mines and Geology has established a Single Window Clearance System under Jharkhand Single Window Clearance Act 2015 for improving ease of doing business in the State. This is being facilitated by providing accelerated and time bound grant of various licenses, permissions and approvals, promoting industrial development and facilitating new investments as well as by simplifying the regulatory framework by reducing procedural requirements and rationalising documents.

All proposed or existing investments which need clearance under one or more of the applicable acts are eligible for facilitation through single window clearance web-portal (<http://advantage.jharkhand.gov.in>). This e-platform is a one-stop service for investors planning to invest in Jharkhand from within the state as well as other parts of the country and abroad. The main activities of this portal include:

- Interactive system for identifying approvals for setting up of business and starting of business operations
- Easy access to all information on procedure, timelines, formats etc.
- Comprehensive checklist of all NOCs, licenses, registrations, etc., available online Combined Application Form (CAF)
- Single Sign-On at Single Window portal allows seamless integration of single window portal with the respective department's portal by eliminating the need of signing in multiple times as well as the need of creating separate login credentials at various department portals.
- Follow up action and coordination between the Government departments and investors

### **2. Single Window Cell**

A Single Window Cell has been formed for facilitation and for addressing the problems faced by entrepreneurs. Departmental and domain experts have been appointed in Single Window to provide technical know-how on departmental and area specific issues pertaining to industry and business and shall be involved in end-to-end grievance handling and investor facilitation. Nodal officers of various departments are deputed and seconded to the cell for granting mandatory state approvals in the Single Window System itself.

## **6.7 Focus on All Segments:**

For integrated all round development of textile sector in the state, all segments in the sector shall be given focus for development and improvement:

### **6.7.1 Raw Materials**

The thrust will be on improving the availability, productivity and quality of raw materials at reasonable prices for the industry and providing necessary capabilities, including R&D facilities for improvement of fibre quality and development of specialised fibres/yarns. The endeavour will be to make available different varieties (from standard to specialised) of textile fibres/yarns of internationally quality at reasonable prices. The multi-fibre approach of providing full fibre flexibility will be continued. Though cotton is expected to continue to be the dominant fibre, special attention will be given to bring the balance between cotton and non-cotton fibres closer to international trends.

#### **a) Cotton and Man-Made Fibre**

The primary aim will be to improve production, productivity and quality, and stabilise prices. Full fibre flexibility between cotton and man-made fibres and consumption of specialised man-made fibres/yarns will be encouraged. Special attention will be given to the production of fibres required for technical textiles.

#### **b) Silk**

Focus will be on achieving international standard in all varieties of silk. Steps will include

- Improving Research and Development and the effective transfer of technology at all stages;
- Considerably improving the production of non-mulberry varieties of silk;
- Augmenting efforts for the spread of bivoltine sericulture;
- Encouraging clustering of activities of reeling and weaving and strengthen linkages between the producers and industry;
- Periodically reviewing the import policy for raw-silk taking into account the balanced interests of the sericulturists as well as the export manufacturers.

#### **c) Jute**

Government recognises the significance of jute in India's economy. Realising the problems of the jute economy and the need to make it more competitive, Government of Jharkhand shall aim to achieve the following objectives:

- Develop high yielding seeds to improve productivity and acceptability in markets;
- Improve retting practices to get better quality fibre;
- Transfer cost effective technologies to the farmers;
- Create strong market linkages;
- Expand the scope for marketing of diversified jute products within the country and abroad



### **6.7.2 Spinning Sector**

Government of Jharkhand shall make efforts to modernise and upgrade technology used to international levels, and take following steps in cotton spinning as well as in the worsted woollen sectors:

- Encourage the spinning sector to continue to modernise;
- Liberalise and encourage export of cotton yarn; and
- Review from time to time the hank yarn obligation while ensuring supply of adequate quantity of yarn to the handloom sector

### **6.7.3 Weaving Sector**

The Government will facilitate harmonious development of all the segments of the fabric manufacturing sector. The balanced growth of these sectors will be achieved based on their intrinsic strengths and capacity to meet the demands and requirements of the domestic as well as international markets.

#### **a) Organised Mill Industry**

Efforts will be made to restore the organised mill industry to its position of pre-eminence to meet international demand for high value, large volume products. For this purpose, the following measures will be initiated:

- Integration of production efforts on technology driven lines;
- Encouragement to setting up of large integrated textile complexes;
- Strategic alliances with international textile majors, with focus on new products and retailing strategies;
- Creation of awareness and supportive measures for application of IT for upgradation of technology, enhancement of efficiency, productivity and quality, better working environment and HRD

Government of Jharkhand recognises that employment protection in a terminally sick industrial unit is neither conducive to efficient allocation of scarce resources nor incremental employment generation. Hence, emphasis will be laid on a pragmatic and rational exit policy with adequate protection of the workers' interests.

#### **b) Powerloom Industry**

Understanding the importance of powerloom in the Indian textile industry, Government of Jharkhand shall focus on

- Technology upgradation;
- Modernisation of Powerloom Service Centres and testing facilities;
- Clustering of facilities to achieve optimum levels of production;
- Welfare schemes for ensuring a healthy and safe working environment for the workers

**c) Handloom Industry**

The handloom sector is known for its heritage and the tradition of excellent craftsmanship. It provides livelihood to millions of weavers and craftspersons. The industry has not only survived but also grown over the decades due to its inherent strengths like flexibility of production in small quantities, openness to innovation, low level of capital investment and immense possibility of designing fabrics. Government will continue to accord priority to this sector. Steps would be taken to promote and develop its exclusiveness for the global market. Measures will include the following:

- training modules will be developed for weavers engaged in the production of low value added items, who may not be able to survive the competition consequent on globalisation, with the objective of upgrading their skills to enable them to find alternate employment in the textile or other allied sector;
- comprehensive welfare measures will continue to be implemented for better working environment and the social security of the weavers;
- effective support systems in research and development, design inputs, skill upgradation and market linkages will be provided;
- Weavers Service Centres will be revamped in consonance with the contemporary trends, and, using Information Technology for efficacy, their activities suitably dovetailed with activities of centres of design excellence like NIFT and NID;
- as merchandising and marketing will be central to the success of the handloom sector, the present package of schemes for production of value added fabrics will be streamlined; innovative market-oriented schemes will be introduced; and joint ventures encouraged both at the domestic and international levels
- Brand equity of handlooms will be commercially exploited to the extent possible

**d) Knitting**

Hosiery knitting, growth of which accelerated during the last decade, primarily because of expansion of hosiery into global fashion knitwear is expected to expand into the apparel and home furnishing sectors. In this segment, the following measures will be taken:

- Encouragement to Technology Upgradation and expansion of capacity; and
- Introduction of support systems for commercial intelligence, design and fashion inputs.

**6.7.4 Carpets**

While machine-made carpet manufacturing in the mill sector will be guided by the policy framework for the organised industry, the policy for hand knotted carpet sector will focus on sustained growth of exports and welfare of weavers and their children. Encouragement will be given to the manufacture of products that conform to and bear the 'KALEEN' mark of standards, with insistence on compliance with the provisions of the Child Labour (Prohibition

and Regulation) Act, 1986. Government intervention will be on technology upgradation including indigenisation of machines; development of testing facilities; and use of natural dyes. Adaptation of traditional motifs and promotion of brand image would constitute thrust areas.

#### **6.7.5 Made-Ups**

The made-ups sector will be given the status and importance it deserves by virtue of occupying the highest position in the textile value addition chain alongside garments. The approach for growth of this sector will be to-

- make available defect free and colour-fast processed fabrics;
- facilitate product development, production and marketing arrangements;
- place emphasis on quality and packaging; and
- expand facilities for machine dyeing and finishing of the yarn that is used for made ups from handloom fabrics

#### **6.7.6 Processing and Finishing**

Processing is the weakest link in the textile production chain, and results in loss of potential value. To bring about the necessary improvement

- Government will encourage setting up of modern processing units, meeting international quality and environmental norms;
- the network of CAD/CAM, computerised colour matching and testing facilities will be expanded, particularly in the clusters of the decentralised textile centres;
- research support will be extended in achieving ISO 9000 and ISO 14000 standards; and
- thrust will be given on development of eco-friendly dyes, including natural and vegetable dyes, and on energy conservation

#### **6.7.7 Clothing**

Government of Jharkhand shall take the following measures to promote the industry:

- joint ventures and strategic alliances with leading world manufacturers will be promoted;
- setting up of strong domestic retail chains to ensure easy availability of branded Indian products will be encouraged

#### **6.7.8 Jute Industry**

The approach for the jute sector will be directed towards reviving the jute economy through supportive measures covering research and development; technology upgradation; creation of infrastructure for storage and marketing of raw jute; and product and market development activities for jute and diversified jute products.

Steps will be taken to enable the industry to become cost and quality competitive in domestic and international markets based on the inherent strength of jute as an environment-friendly fibre.

#### **6.7.9 Footwear Industry**

India is the second largest footwear producer globally. However, the average per capita footwear consumption is low as compared to the global average. With increasing disposable income, rising middle class and changing consumer preferences, tremendous opportunities exist for the footwear market to grow at a rapid pace going forward.

Steps shall be taken by the Government to support technology upgradation for footwear processing, skilling more people in leather technology and providing all necessary assistance in export of footwear products and entering new markets. Also, efforts shall be made to improve R&D facilities and encourage innovation in the production process and reduce environmental damage.

#### **6.7.10 Bags and accessories**

Bags and accessories are another segment in the textiles and apparel sector which can open up a plethora of opportunities for manufacturers in this sector. With the government restricting the use of plastics and polythene, the demand for cloth and jute bags and related accessories has increased.

The state government shall make efforts to promote this segment in the domestic as well as in the international markets through market development initiatives and assist in training and capacity building of personnel, especially women. Efforts shall also be made to transfer technologies to make the products more durable at low costs.

#### **6.7.11 Exports**

Textile exports play a crucial role in the overall exports from India. The thrust will be on:

- forging of strategic alliances for gaining access to technology;
- Operating a brand equity fund exclusively for textile and apparel products.
- Developing infrastructural facilities in the predominantly textile and apparel export oriented areas in close co-operation with Financial Institutions and the private sector;

#### **6.7.12 Handicraft Exports**

Continued and focussed attention will be given to handicrafts to enable the sector to increase both its contribution to exports and its productive employment. Initiatives will include upgradation of skills, creation of better work environment, design and technology intervention, development of clusters for specific crafts with common service facilities, improvement in infrastructure, and market development.

#### **6.7.13 Fiscal and Financing Arrangements**

Funding requirements of different segments of the textile and apparel industry will be periodically reviewed and short-term and long-term requirements spelled out, particularly of the handloom, powerloom, handicrafts and sericulture sectors.

Innovative measures for tapping public and private sector funding will be worked out. The endeavour will be to:

- Encourage the private sector to take the initiative in participating in financing of specific needs of the textile industry;
- Set up a Venture Capital Fund in consultation with and involvement of financial institutions for the promotion of talented Indian Designers, Technologists, innovative market leaders and e-commerce ventures

#### **6.7.14 Role of Information Technology (IT):**

Recognising the vital role of IT in a progressively IT-driven global economic environment, as also its scope in bringing about speed, efficiency and transparency in delivery systems, Government will play a proactive role in promoting and facilitating adoption of IT in the textile industry and trade. Using IT as the platform, a strong commercial intelligence network will be built up and suitable infrastructure for harnessing the potential of e-commerce will be put in place.



## 7. INCENTIVES, EXEMPTIONS AND CONCESSIONS OFFERED BY GOVERNMENT OF INDIA

Ministry of Textiles, Government of India, through its many schemes and policies, offers fiscal and other incentives for the promotion of the sector. Government of Jharkhand shall facilitate units established in Jharkhand to avail these incentives. The modified and revised version of the schemes mentioned in this policy shall be supported by the State.

### 7.1 Capital Investment Subsidy (CIS)

#### 1. Amended Technology Upgradation Fund Scheme (ATUFS):

- a) Units shall also be eligible for the incentives under 'Amended Technology Upgradation Fund Scheme (ATUFS)' of Government of India and other modified version of this scheme.
- b) As per this scheme, GoI shall provide one time capital subsidy for investments in the employment and technology intensive segments of the textile value chain, keeping in view promotion of exports and imports substitution. The scheme will be credit linked and projects for technology upgradation covered by a prescribed limit of term loans sanctioned by the lending agencies will only be eligible for grant of benefits under it.
- c) Entities/Units registered under the Companies Act with the Registrar of the Companies, except for MSME units which will be guided by the instructions of the Ministry of MSME or registered with the concerned Directorate of Industries/ relevant Department of the State Government will only be eligible to get the benefits under this scheme.
- d) Every individual entity will be eligible for one time Capital Subsidy only, on the eligible investment, as per the rates and the overall subsidy cap indicated below:

Sl No.	Segment	Rate of CIS	CIS per individual entity
1	Garmenting, Technical Textiles	15% on eligible Machines	Rs. 30 crore
2	Weaving for brand new Shuttle-less Looms (including weaving preparatory and knitting), Processing, Jute, Silk and Handloom	10% on eligible Machines	Rs. 20 crore
3(a)	Composite unit /Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is more than 50% of the eligible project cost.	15% on eligible Machines	Rs. 30 crore

3(b)	Composite unit/ Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is less than 50%, then the subsidy cap will be Rs. 20 crore.	10% on Machines Eligible	Rs. 20 crore
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The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted to Rs 30 crore.

**2. Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) under ATUFS to incentivise production and employment generation in the garmenting sector:**

- a) To boost employment generation in the textile sector, Government of India shall provide an additional 10% Capital Investment Subsidy (CIS) for garmenting units (up to an additional cap of Rs 20 crore) which have availed 15% CIS benefit under ATUFS based on achievement of projected production and employment after a period of 3 years. Therefore, total cap on subsidy for such a unit has been enhanced under ATUFS to Rs 50 crore. The period of 3 years will be counted from date of release of ATUFS subsidy to that unit.

**7.2 Export Subsidy**

The units shall be eligible under the following export promotion schemes of Government of India for textile sector and other modified version of this scheme:

**1. Merchandize Exports from India (MEIS) Scheme**

MEIS provides duty reward to eligible textile and apparel categories to an extent of 2-5% of FOB value

SI No.	Eligible Products	Reward Rate
1	HS Code 50-60: eligible lines	2%
2	HS Code 61-63: eligible lines	2%
3	All handloom and handicraft items	5%
4	All jute, ramie and coir based items	5%

**2. Interest Equalization Scheme**

<b>Interest Subvention Rate</b>	3%
<b>Beneficiary</b>	Manufacturers
<b>Sectors covered</b>	Handicrafts, Carpet, Handlooms, Small and Medium Enterprises, Readymade Garments, Made-ups Additional sectors: Fabrics, Coir and Coir Products, Jute and Jute Products

### 3. Duty Drawback Scheme

The All Industry Rates (AIR) of Duty Drawback are as follows:

Product	When CENVAT is not availed	When CENVAT is availed
Cotton Yarn	2.5-4.5	1.2-1.4
Cotton Fabric	4.3-7.3	1.4-2.0
Man-Made Fabric	6.6-11.5	1.9-2.4
Apparel	7.2-10.5	2.0-3.5
Apparel	5.0-10.7	1.9-8.9

### 4. Market Access Initiative (MAI)

Assistance would be provided to Export Promotion Organizations/ Trade Promotion Organizations/ National Level Institutions/ Research Institutions/ Universities/ Laboratories, Exporters, etc., for enhancement of export through accessing new markets or through increasing the share in the existing markets.

### 5. Market Development Assistance (MDA)

The incentives under this Scheme are primarily given to develop the already accessed markets abroad. For participation in Trade Fairs/Exhibitions, assistance would be permissible on travel expenses by air in economy class and/or charges of the built up furnished stall, subject to an upper ceiling as mentioned in the scheme.

## Textile And Apparel Parks

### 1. Scheme for Integrated Textile Parks (SITP)

#### a) Implementation Structure:

Industry Associations/Groups of Entrepreneurs would be the main promoters of the ITPs. At each ITP, there would be a separate Special Purpose Vehicle (SPV) formed with the representatives of local Industry, Financial Institutions, State and Central Government. SPV shall invariably be a Corporate Body registered under the Companies Act. Any different structure for the SPV requires the approval of the Project Approval Committee.

The SPVs shall have operational autonomy so that they do not become surrogate Public Sector Enterprises or be controlled by Central/State Governments.

#### b) Funding Provision:

The total project cost shall be funded through a mix of Equity/Grant – from the Ministry of Textiles, State Government, State Industrial Development Corporation, Industry, Project Management Consultant and Loan – from Banks/ Financial Institutions.

The Government of India's (GOI) support under the Scheme by way of Grant or Equity will be limited to 40% of the project cost subject to a ceiling of Rs. 40 crore

for parks. GOI support under the Scheme will be generally in the form of grant to the SPV unless specifically decided by the PAC to be equity. However, the combined equity stake of GOI/State Government/State Industrial Development Corporation, if any, would not exceed 49%.

Central Government will be entitled to place a nominee on the Board of the Park as per scheme guidelines.

The SPVs would be the focal points for implementation of the Scheme. The Guidelines of the Scheme for Integrated Textile Parks of Government of India may be referred for availing the incentives.

## **2. Industry Workers' Hostel Scheme**

With an aim to provide a safe and secured accommodation for the workforce and ensure better retention of the work force by way of decent accommodation in/vicinity of the textile parks, Government of India has launched this scheme to establish workers' hostel for the workers of textile industry with the support of Ministry in /in the vicinity (with in 5 km radius of the park) through grant assistance from MoT.

### **a) The eligible components of the project include the following:**

- a. Buildings for workers comprising of dormitories for a minimum of 250 workers (150 workers for NE and J&K) and maximum for 1000 persons with built up area @125 sq. ft./capita. A dormitory can house a maximum of six persons.
- b. Common Facilities like kitchen, dining hall, store, recreation rooms, sports infrastructure, visitor's room, etc.
- c. External Infrastructure including water supply, power supply, generator etc.
- d. Furniture and Fixtures including room furniture/furnishing/kitchen hardware etc. not exceeding 30% of the cost of Buildings as given under point (a) and (b) above
- e. Project Cost under this Scheme shall be the total cost of the components from (a) to (d) above.

### **b) Project Implementing Agencies (PIAs)**

The following organizations will be eligible to submit proposals under the Scheme and will function as PIA's:

- The SPV's set up under SITP where a minimum of 25% units are operational and where the approved DPR of the ITP does not include components provided under this scheme.
- The SPVs promoted under the other schemes of Ministry of Textiles viz., TCIDS, APES, etc.
- State Industrial Development Corporations.
- SPV's of Textile Parks promoted by State governments/UTs.

- Developers of SEZs.
- Industry Associations or groups of Entrepreneurs.

c) **Grant Assistance and Release of Grant**

The grant from Ministry of Textiles will be limited to 50% of the project cost per project subject to a ceiling of Rs. 3 Crore for each workers' hostel with built up area @ 125 sq. ft. per capita. The PIA can built hostels for a maximum of 1000 workers. The cost of Land shall not be considered in the project cost. Land for hostels shall be contributed by the IA.

Component	Grant Assistance
Infrastructure Support	100% grant-in-aid will be provided towards infrastructure support not exceeding Rs 4 cr per incubatee and Rs. 12 cr per Incubation Centre
Capacity building support and linkages	100% grant-in-aid towards Capacity Building Services and Linkages @ Rs 31 lacs (maximum) per incubatee

## 8. INCENTIVES, EXEMPTIONS AND CONCESSIONS OFFERED BY GOVERNMENT OF JHARKHAND

In addition to the incentives provided by Government of India, the units shall also be eligible for following incentives offered by the State Government:

### 8.1 Capital Investment Subsidy (CIS)

- a. Units shall be entitled to get CIS for investments made in fixed capital investment. Subsidy under CIS shall be admissible at the rate of 20% of investments made in fixed capital with an upper cap of Rs 50 crore.
- b. SC/ST/Women/Handicapped Entrepreneurs will avail 5% additional benefit under CIS. This benefit shall be applicable only to residents of Jharkhand. For the purpose of this clause, those persons will be eligible for benefit under SC/ST category that are issued caste / residential certificate to this effect by competent authority, not below the rank of SDO, in the State of Jharkhand. Similarly, those persons will be deemed to be of handicapped category that are certified by a competent Medical Board to have handicap of more than 40%.

*Only one time subsidy under CIS category will be provided to the industries. The State government incentive under Capital investment subsidy shall be in addition to Capital investment subsidy provided under ATUFS scheme of Government of India.*

### 8.2 Interest Subsidy

- 8.2.1 New units shall be entitled to interest subsidy for timely payment @7% per annum or 50% of the interest rate per annum, whichever is lower on total loan availed from public financial institutions / Banks for period of seven years from the date of commencement of production subject to total maximum limit of Rs 1 Crore
- 8.2.2 Units which are classified as Non-performing Asset (NPA) at the time of making the application will not be eligible to avail such incentive.
- 8.2.3 In addition to the interest subsidy, the guarantee fee charged under the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) scheme to Micro and Small Enterprises (MSEs) will be reimbursed to the enterprises in order to improve the CGTMSE coverage for collateral free loans in the state.

### 8.3 Subsidy / Incentive on VAT

#### (a) Incentive on VAT:

New units will be given incentive of 100% NET VAT payable p.a for seven years and 40% for the next three years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.



- b) Units which have qualified to be new unit by expansion / modernisation / diversification will be entitled to get similar benefits in respect of VAT. However, they have to maintain separate record of production, investment details and VAT paid/ payable after such expansion / diversification / modernisation. In case, maintaining a separate record is not possible by such units the benefit to such eligible units shall be available in the ratio of installed capacity.
- c) Any unit claiming these benefits will have to get registered with Commercial Taxes Department, Government of Jharkhand and shall have to file all their statutory returns.
- d) Department of Commercial Taxes shall give top priority to such units in matters of final assessment of annual tax return in a specific time frame.
- e) Commercial Taxes Department shall also notify the responsibility of assessing officers along with time frame to be maintained in assessment of tax.
- f) VAT incentive will be made on annual basis and claim for such incentives shall be made in the next financial year after the financial year in which DoP was given
- g) The unit for which return assessment has not been duly completed by Commercial Taxes Department will not be eligible for incentive of the VAT claimed for the next year.
- h) Net VAT incentive claim for the final year i.e. the last year of eligibility period can only be entertained after the complete assessment of all the previous years.
- i) After availing VAT incentive facility for eligibility period, industrial units are to maintain tax compliance at similar level in future for the same number of years they have claimed VAT e.g. a unit which has claimed VAT incentive for five years for location, will have to do the tax compliance for another five years after the expiry of incentive.

*Note : Notwithstanding anything contained in this Textile, Apparel and Footwear Policy, the State reserves its right, to take appropriate direction including amendment, deletion or substitution of any incentives as granted in this Policy after the implementation of the Goods and Services Tax System into the State.*

#### **8.4 Stamp duty and Registration fee**

100% reimbursement of stamp duty and transfer duty paid by the industry will be allowed for execution of lease, lease cum sale or sale deeds in respect of industrial land / plots/ sheds allotted or purchased by industry and Execution of Lease Deeds in case of Industrial Area Development Authority (IADA) lands/ plots taken on lease.

#### **8.5 Quality Certification**

- (a) High priority is being accorded by the State government for improvement of quality of the industrial units and will be provided with assistance for obtaining quality certification from B.I.S. and other internationally recognised institutions **@ 50% of the expenditure incurred up to maximum of Rs. 10.00 lakh.**

Units obtaining certification / accreditation under any of the following internationally recognised / accepted standards will be eligible for the benefit:

- ISO-9000 Quality Management System
  - ISO-14000 Environmental Management System
  - ISO-18000 Occupational Health and Safety Standards
  - BIS certification
  - Social Accountability Standards
  - Green Energy Certificate
  - Bureau of Energy Efficiency (BEE) Certificate
  - LEED Certification in New and renewable Energy
  - Internationally accredited eco-labels OKE-TEX 100 etc.
  - Any other internationally accredited certification that will enable better market positioning
- (b) An Enterprise can avail the facility for more than one certification during the policy period subject to maximum limit
- (c) Incentives for quality certification (ISO-9000, ISO-14000 etc.) are also being given by Government of India. State Government will promote and facilitate the Unit getting such benefits on priority basis

### 8.6 Patent Registration

Units will be encouraged for filing their successfully generated, registered and accepted patents based on their original work / research. The State Govt. will provide **financial assistance of 50% of the expenditure incurred, up to a maximum of Rs. 10 lakh, per patent.** Out of these a maximum of Rs 4 lakh may be given on expenditure incurred in filing of patent, attorney fees, patent tracking etc. and up to *maximum of Rs. 10 lakhs on final acceptance of the patent.*

### 8.7 Cluster Development

A grant of 15% of the grant released by the government of India shall be offered by State Government to Cluster schemes approved by Government of India for the State to SPV/ promoter.

### 8.8 Power Tariff

State shall provide reimbursement of 50% of power tariff for 7 years from the date of release of electricity connection

### 8.9 Export Subsidy

As per Jharkhand Export Policy 2015, MSME Exporters shall be assisted with 75% of Stall charges paid up to maximum of Rs. 2,25,000/- (90% of Stall charges paid up to maximum of Rs. 2,70,000 /- for women entrepreneurs) for one fair/ exhibition.

Also, assistance of 75% of Air fare by economy class, max. up to Rs. 50,000/- (90% by economy class, max. up to Rs. 60,000/- for women entrepreneurs) per person per unit per annum shall be provided to MSME Exporters. Exporting organisations availing travel support from Government of India under similar scheme shall not be eligible for the above mentioned State Incentives)

Apart from this, units shall be eligible for all other incentives as mentioned in the Jharkhand Export Policy 2015. Incentives under Government of India schemes and those under this policy cannot be availed for the same component related to exports.

#### **8.10 Assistance for construction of dormitories**

Textile / apparel manufacturing units/Parks will be provided financial assistance for purchase of land close to the Apparel / Textile Park for construction of dormitories to house the workers at the rate of one acre for every 1000 workers employed. The assistance will be limited to 50% cost of land up to a maximum of Rs. 50 lakh.

#### **8.11 Skill Development**

- a. One-time support of Rs. 13,000 or actual cost of training per person, whichever is lower, for capacity building of persons belonging to Jharkhand (skilled/semi-skilled) engaged in the sector (Any other category notified by the Government) as per notification of Jharkhand Skill Development Mission Society.
- b. Also, the State shall provide Employment generation subsidy of Rs. 5,000 per month per worker for 7 years for capacity building of workers. For SC/ST/Women, this subsidy will be Rs 6,000 per month per worker for 7 years
- c. In addition to this, the state shall reimburse to employer up to Rs. 1000 per person per month to towards expenditure on ESI and EPF for 5 years

#### **8.12 Mandi Fees Exemption**

No Mandi tax shall be levied on raw materials used in textiles, apparel and footwear units in the State

#### **8.13 Electricity Duty**

State shall provide 100% exemption for 7 years from the date of release of electricity connection.

#### **8.14 Land allotment**

Land will be provided to units as upfront or in 5 equal instalment in five years as per the rules applicable at the time of allocation by IADA.

#### **8.15 Support for Incubation centres**

For setting up of incubation centres, financial support of INR 50 lacs annually for the first

5 years (maximum 10 institutions can be given this grant in the first year) will be provided. Procedure and details for availing this incentive will be as per the Jharkhand Start-Up Policy. Any private university/research institution can also apply for this funding, given the fact that they have operated in the state for the last 4 years and qualify through the selection process. A special incentive of INR 10 lacs would be given to the incubator for every successful start-up (Start-up that raises series B funding) they incubate.

### **8.16 Establishment of new Textile/ Apparel/ Footwear Parks**

8.16.1 Private Sector, PPP mode and JV mode industrial parks play an important role in the establishment of necessary infrastructure in the state. With this in mind, Government of Jharkhand has already launched Jharkhand Industrial Park policy 2015 for the establishment of apparel and textile park under sector specific and general parks.

8.16.2 Eligible institution, both private and public can establish apparel and textile parks under the Jharkhand Industrial Park policy 2015.

#### **8.16.3 Mega Textile/Apparel Park:**

With an objective to provide the industry with State of the art world-class infrastructure facilities for setting up their textile/ apparel units, Government of Jharkhand shall support setting up of Textile/ Apparel parks with size more than 75 acres. This would facilitate textile and apparel units to meet international environmental and social standards.

##### **a) Capital Investment Subsidy**

Government of Jharkhand shall contribute 50% of the project cost or Rs 40 crore, whichever is lower. The procedure, eligible items and other details shall be followed as per Jharkhand Industrial Park policy 2015.

Developer availing benefits under Government of India scheme on SITP will be given additional capital subsidy up to 10% of the project cost or Rs 10 crore, whichever is lower.

In addition to this, the state shall also provide core infrastructure up-to the gate of the Park at remote locations:

- Dedicated power through overhead transmission line network system, substation and transformer and associated electrical equipment/items/gadgets and protective devices
- Water and Sewage lines
- Metaled road from national highway or main road to up to park gate

The SPV shall be allowed to allocate land for setting up and starting of operations of units before completion of park.

Developer of parks availing incentives under the scheme will not be eligible to avail incentive under any other schemes of the State Government, unless specified otherwise. However, textile and apparel units coming up in the park shall be eligible to avail

incentives under the schemes of the State Government and schemes of Government of India

**b) Stamp Duty**

State Government shall provide reimbursement of 50% stamp duty to the developer of Industrial Estates

**c) Export Exhibition**

The financial assistance of Rs. 20 crore shall be provided to JIADA for making Export Exhibition Centre

## 9. PROJECT MANAGEMENT AGENCY (PMA) FOR MONITORING SCHEMES

- 9.1** Government of Jharkhand shall appoint a team of professionals under Directorate of Sericulture, Handloom and Handicraft which have considerable experience and expertise in the area of textile and apparel sector development, as Project Management Consultants (PMCs) for implementing various schemes of Government of Jharkhand mentioned in this policy as well as schemes of Government of India.
- 9.2** The PMA will be responsible for the speedy implementation of the Projects in a transparent and professional manner so as to achieve high degree of quality at a low cost. It shall report to Government of Jharkhand, which shall directly supervise the implementation of projects.
- 9.3** The PMA will discharge the following functions:
1. Identifying the locations for setting up the Textile/ Apparel Parks and units based on a scientific assessment of the demand and potential of the area and assist in obtaining all statutory clearances
  2. Facilitating formation of SPV at each project level with the participation of local industry
  3. Structure the projects and submit the same for appraisal by Competent Authority
  4. Assist the SPV in achieving financial closure
  5. Monitor the implementation and submit periodical progress reports to the GoJ.
  6. Liaise with the State Government departments to resolve state-related problems
  7. Ensure timely completion of project(s) as per DPR
- 9.4** **The PMA shall assist the units in implementing the following schemes of Government of India and Government of Jharkhand:**
1. Jharkhand Textile, Apparel and Footwear Policy 2016
  2. Amended Technology Upgradation Fund Scheme (ATUFS)
  3. Export Promotion Scheme for Textile sector firms in India:
    - a. Merchandize Exports from India (MEIS) Scheme
    - b. Interest Equalization Scheme
    - c. Duty Drawback Scheme
    - d. Market Access Initiative (MAI)
    - e. Market Development Assistance (MDA)
  4. Scheme for Textile Industry Workers' Hostel
  5. Scheme for Integrated Textile Parks (SITP)
  6. Modified Comprehensive Powerloom Cluster Development Scheme (CPCDS)



7. Comprehensive Handicrafts Cluster Development Scheme (CHCDS)
8. Centrally Sponsored Scheme For Integrated Processing Development Scheme (IPDS)
9. Scheme for setting up Incubation centres in Apparel manufacturing
10. Integrated scheme for Powerloom Sector Development (ISPSD)
11. Schemes under Jute Technology Mission
12. Integrated Skill Development Scheme For The Textiles And Apparel Sector Including Jute And Handicrafts
13. Any other scheme or the modified version of these schemes as notified by Government of India and Government of Jharkhand from time to time

## 10. PROCEDURE FOR DISPOSAL OF APPLICATIONS

### 10.1 Online mechanism for disbursement of incentives

10.1.1 Department of Industries, Mines and Geology shall develop an online mechanism for receiving applications and online workflow system for the sanction and disbursement of incentives/ concessions/ subsidy under this policy.

10.1.2 All applications received for incentives under this policy shall be placed before the committee mentioned below depending on the category of Industries:

- (1) Applications of Micro, Small and Medium units for incentives under this policy shall be placed before the Single Window Clearance Committee headed by Principal Secretary/ Secretary, Department of Industries, Mines and Geology and will consist of the following members:

S.No.	Composition	Designation
1	Principal Secretary/Secretary, Industry	Chief Executive Officer
2	Principal Secretary /Secretary, Finance-cum-Planning	Member
3	Principal Secretary/Secretary, Revenue, Registration and Land Reform	Member
4	Principal Secretary/Secretary, Urban Development and Housing.	Member
5	Principal Secretary/Secretary, Labour, Employment and Training	Member
6	Principal Secretary, Forest, Environment and Climate Change	Member
7	Principal Secretary/Secretary, Energy	Member
8	Principal Secretary/Secretary, Water Resources	Member
9	Principal Secretary/Secretary, Mining and Geology	Member
10	Chairman, Jharkhand State Pollution Control Board	Member
11	Director of Industries	Member-Convener

The above Committee shall examine all the applications received and give its approval for incentives to MSME units.

- (2) The High Powered committee shall grant approval of financial incentive packages for large projects on the recommendation of Single Window Clearance Committee. Its composition is as follows:

S.No.	Composition	Designation
1	Chief Secretary	Chairman
2	Development Commissioner	Member
3	Principal Secretary/Secretary, Industry	Member
4	Principal Secretary /Secretary, Finance	Member
5	Director of Industries	Member-Secretary

- (3) The Governing Body shall grant approval of financial incentive packages for Mega and Ultra-mega projects on the recommendation of the High-Powered Committee. Its composition is as follows:

S.No.	Composition	Designation
1	Hon'ble Chief Minister	Chairman
2	Industry Minister	Vice-Chairman
3	Finance Minister	Member
4	Revenue, Registration and Land Reforms Minister	Member
5	Chief Secretary	Member
6	Principal Secretary/Secretary, Industry	Member-Secretary
7	Other nominations by the State Government if any	

## 10.2 The timelines for disposal of applications shall be as follows:

Level	Timeline (in days)
Single Window Clearance Committee	40
High Powered Committee	60
Governing Body	60

## 10.3 Grievance Redressal

- 10.3.1 If any unit is aggrieved of the decision taken by the committee, the unit may file an appeal before the grievance redressal committee provided under Para 9.2 of Jharkhand Industrial and Investment Promotion Policy through Principal Secretary/Secretary, Department of Industries, Mines and geology.

## **11. MISCELLANEOUS PROVISIONS**

### **11.1 Date of Production (DoP)**

- 11.1.1 All textile and apparel units must obtain the Certification of Date of Production (DoP) from competent authority for availing benefits under this policy. The EM part II or IEM or Udyog aadhar will not be sufficient to substitute DOP certificate.
- 11.1.2 The “date of production” of an unit shall mean the date on which the unit actually commences commercial production of the item for which the unit has been registered.
- 11.1.3 The procedure for applying for the same shall be as per the provisions of Jharkhand Industrial and Investment Promotion Policy 2016.

### **11.2 Operative period of the policy**

- 11.2.1 The policy will come into operation from the date of its issue of notification in the official gazette and shall remain in force for a period of five years.
- 11.2.2 Only those enterprises which complete and make their projects operational during the operative period and have date of production in this policy period shall be eligible for benefits mentioned under this policy.

### **11.3 Doubts Resolution**

- 11.3.1 Doubts relating to interpretation of any term and / or dispute relating to the operation of any provision under this Textile, Apparel and Footwear Policy shall have to be referred to the Department of Industries, Mines and Geology, Government of Jharkhand for clarification / resolution and the decision of Government in this regard shall be final and binding on all concerned.
- 11.3.2 In case of any doubt the “English Version” of the policy will be considered an authentic version.

### **11.4 Power of the State Government**

- 11.4.1 Notwithstanding anything contained in the foregoing paragraphs of this Jharkhand Textile, Apparel and Footwear Policy, the State Government by issuance of notification in the official

gazette may amend or withdraw any of the provisions and / or the schemes mentioned herein above.

**Order:** It is ordered that a copy of the notification should be sent for publication in the special edition of the Jharkhand Gazette and be circulated among all the Departments/Departmental heads and Subordinate offices of the Government.

By the Order of the Governor of Jharkhand  
Sd/-  
(S.K. Barnwal)  
Secretary  
Department of Industries, Mines and Geology  
Government of Jharkhand

**Memo No.:** 06/U.Ni./Textile and Apparel Policy 2016/ 05/ 2016 - 3081 dated 19.09.2016

Copy forwarded to the Superintendent, Government Press, Hinoo, Ranchi for its publication in the special edition of Jharkhand Gazette. It is requested that 250 (Two hundred fifty) copies of the published Gazette be made available to the department.

Sd/-  
(S.K. Barnwal)  
Secretary  
Department of Industries, Mines and Geology  
Government of Jharkhand

**Memo No.:** 06/U.Ni./Textile and Apparel Policy 2016/ 05/ 2016 - 3081 dated 19.09.2016

Copy forwarded to Principal Secretary to the Hon'ble Governor, Jharkhand/Principal Secretary to the Hon'ble Chief Minister, Jharkhand/ OSD to Chief Secretary, Jharkhand/All Additional Chief Secretary/Principal Investment Commissioner, Jharkhand Bhawan, New Delhi/All Principal Secretary/ All Secretary/All Departmental Head, Jharkhand Ranchi/All Divisional Commissioner/ Chairman, Jharkhand Urja Bitran Nigam, Ltd./Chairman, Jharkhand Pollution Control Board, Ranchi/All Deputy Commissioner, Jharkhand/Managing Director, All Industrial Area Development Authority/ CEO, Jharkhand State Khadi Board/General Manager, All District Industry Centre/Director, MSME. RIADA Building, Ranchi/All Officers of Industry, Mines and Geology Department, Jharkhand, Ranchi.

Sd/-  
(S.K. Barnwal)  
Secretary  
Department of Industries, Mines and Geology  
Government of Jharkhand

## I. Definitions

### 1. New Enterprise

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

### 2. Existing Enterprise

The Existing Enterprise means a registered enterprise which is implementing expansion/diversification/modernization in an existing project for carrying out activity indicated in this policy.

### 3. Expansion

Expansion means an existing unit which makes additional capital investment and fulfils the following conditions:

- a) For MSME Units, it shall make fixed capital investments of 33% or above of the capital investment limit as specified by Government of India from time to time. For large units, it shall be 33% or above on depreciated book value or fixed capital investments of Rs. 5 crore, whichever is higher. For Mega and Ultra-Mega project, it shall be 33% or above on depreciated book value or 33% or above of fixed capital investments of the minimum capital investment limit fixed in this policy, whichever is higher
- b) An increase of at least 33% of the installed capacity

### 4. Diversification

Diversification means an existing unit which makes additional capital investment and fulfils the following conditions:

- a) For MSME Units, it shall make fixed capital investments of 33% or above of the capital investment limit as specified by Government of India from time to time. For large units, it shall be 33% or above on depreciated book value or fixed capital investments of Rs. 5 crore, whichever is higher. For Mega and Ultra-Mega project, it shall be 33% or above on depreciated book value or 33% or above of fixed capital investments of the minimum capital investment limit fixed in this policy, whichever is higher
- b) Production of at least one new product after diversification

### 5. Gross fixed Capital Investment

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



## **6. ATUF Scheme**

The ATUF scheme is the – Amended Technology Upgradation Fund Scheme as notified by Government of India and amended from time to time pertaining to eligible machineries under the scheme.

## **7. Technical Textiles**

Technical Textiles are defined as textile materials and products used primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics. Depending on the product characteristics, functional requirements and end-use applications, the highly diversified range of technical textiles have been grouped into 13 sectors, application-wise.

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

## **8. MSME Projects**

GoJ follows the MSME definition laid out by Government of India as per MSMED Act 2006 (as updated from time to time).

## **9. Large Projects**

Projects with an investment of less than Rs 25 crore but higher than the investment threshold set for medium enterprises as per MSMED Act from time to time.

## **10. Mega Projects**

Projects with a minimum investment of Rs 25 crore or providing direct employment to 500 people or more will be accorded mega industry status.

## **11. Ultra-Mega Projects**

Projects with a minimum investment of Rs 75 crore or providing direct employment to 1500 people or more will be accorded ultra-mega industry status.

## I. Abbreviations

AIR	All Industry Rates
APES	Apparel Parks for Exports Scheme
ASEAN	Association of Southeast Asian Nations
ASIDE	Assistance to States for Development of Export Infrastructure and Allied Activities
ATUFS	Amended Technology Upgradation Fund Scheme
BEE	Bureau of Energy Efficiency
BTRA	Bombay Textiles Research Association
CAD/CAM	Computer Aided Design / Computer Aided Manufacturing
CAF	Combined Application Form
CETP	Common Effluent Treatment Plant
CFC	Common Facility Centres
CGTMSE	Credit Guarantee Trust for Micro and Small Enterprises
CHCDS	Comprehensive Handloom Cluster Development Scheme
CIACI	Centre for Industrial, Artisan, and Crafts persons' Interaction
CIS	Capital Investment Subsidy
CPCDS	Modified Comprehensive Powerloom Cluster Development Scheme
DoP	Date of Production
DPR	Detailed Project Report
EDP	Entrepreneurship Development Program
EPF	Employees Provident Fund
ESI	Employees State Insurance
FDDI	Footwear Design and Development Institute
FDI	Foreign Direct Investment
GoI	Government of India
GoJ	Government of Jharkhand
GST	Goods and Services Tax
IADA	Industrial Area Development Authority
IPDS	Integrated Processing Development Scheme
ISPSD	Integrated scheme for Powerloom Sector Development

IT	Information Technology
J&K	Jammu and Kashmir
Jharcraft	Jharkhand Silk, Textile and handicraft Development Corporation
JICD	Jharkhand Institute of Craft and Design
JIIDCO	Jharkhand Industrial Infrastructure Development Corporation
JSDMS	Jharkhand Skill Development Mission Society
JV	Joint Venture
LEED	Leadership in Energy and Environmental Design
MAI	Market Access Initiative
MDA	Market Development Assistance
MEIS	Merchandize Exports from India Scheme
MoT	Ministry of Textiles
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
NABARD	National Agricultural Bank for Rural Development
NE	North East
NID	National Institute of Design
NIFT	National Institute of Fashion Technology
PIA	Project Implementing Agencies
PMA	Project Monitoring Agency
PMC	Project Management Consultants
PSC	Project Scrutiny Committee
R&D	Research and Development
RKVY	Rashtriya Krishi Vikas Yojana
SC/ST	Scheduled Caste / Scheduled Tribe
SITP	Scheme for Integrated Textile Parks
SPELSGU	Scheme for Production and Employment Linked Support for Garmenting Units
SPV	Special Purpose Vehicle
TCIDS	Textile Centre Infrastructure Development Scheme
TMTT	Technology Mission on Technical Textiles
UT	Union Territory
VAT	Value Added Tax
VGF	Viability Funding Gap





### Single Window

Single Window Helpline Number : **0651-6556666**

[www.advantage.jharkhand.gov.in](http://www.advantage.jharkhand.gov.in)



## Government of Jharkhand

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