



MAC[®]
Ancillary Services Pvt. Ltd.

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Specialized In State & Central
Government Subsidy Policies

Satish Singh: 97123-11383 CA Kishan Mundhra: 93251-08745 CA Chirag Porwal: 96896-86489

GUJARAT TEXTILE POLICY - 2024

Policy Period : 01-10-2024 to 30-09-2029

Eligibility & Definitions:

New Industrial Unit – A new project set up by industrial undertaking which commences commercial production of eligible activity during the operative period of the policy.

Existing Industrial Unit - Any existing industrial unit that decides to carry out expansion / diversification / modernization of existing production line of activities at the same location / premises during the operative period of the policy.

Garment, Apparel & Made-ups - wearable / non wearable stitched fabric, at least, two sides of which are stitched using sewing machinery.

Technical Textile - textile materials & products used primarily for their technical performance & functional properties & it includes 12 technical textile segments as below:

Agrotech : Agro-textiles, Geotech : Geo Textiles, Meditech : Medical textiles, Packtech : Packaging Textiles, Buildtech : Construction textiles, Hometech : Home Textiles, Mobiltech : Textiles used in transport, Protech : Protective Textiles, Clothtech : Clothing textiles, Indutech : Industrial Textiles, Oekotech : Ecological protection textile, Sportech : Sports Textiles

Labour Intensive Unit – Industrial Unit that provides minimum employment to 4000 persons duly registered under EPF scheme, out of which minimum female employee should be at least 1000.

Expansion - increase its investment in Gross Fixed Capital (GFCI) by at least 25% of its existing project in the same premises, of which 60% of investment in Plant and Machinery also increases at least 25% of existing products for which expansion is carried out & existing industrial unit reached the utilization of existing installed capacity at least to the extent of 75% in any one of the preceding three financial years

Diversification - increase its investment in Gross Fixed Capital by at least 25% of its existing project in the same premises, of which 60% of investment in Plant and Machinery.

Modernization - investment in new Plant & Machinery with updated technology to replace the old Plant & Machinery should not be less than 25% of Gross Fixed Capital Investment of its existing unit.

Gross Fixed Capital Investment (GFCI) - Gross Fixed Capital Investment means investment made in Building, Plant and Machinery, Electrification, Tools and Equipment, Accessories, Utilities, Effluent Treatment Plant and other assets (excluding land) required for manufacturing end product / rendering of services.



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Eligible Fixed Capital Investment (eFCI) - Eligible Fixed Capital Investment means investment made during the eligible investment period. extended time period of 12 months from the date of commencement of commercial production / rendering services.

- a. **New Building** - constructed or acquired as a new & unused building will be considered, Building acquired under lease or on rental basis, except GIDC sheds will not be considered, Dormitory Housing facilities set up for workers and staff shall also be eligible
- b. **Plant and Machinery** - new plant & machinery, utilities, dies & moulds, including cost of transportation foundation erection, installation and electrification, it also includes plant for captive power generation through renewable, plant for pollution control measures etc. Also Imported second hand machinery not more than 10 years old and with residual life of minimum 10 years duly certified by chartered engineer. (Investments towards component other than plant & machinery limited upto 20% of eligible FCI)

Ineligible Capital Expenditure / Assets:

a. Land & Land development cost	f. Indigenous second-hand plant and machinery
b. Working Capital	g. Interest capitalized
c. Goodwill	h. Rented or leased property
d. Royalty	i. Preliminary and pre-operative expenses
e. Anything which has not been included in the eligible FCI	

Term Loan – loan sanctioned by financial institutions / banks / external commercial borrowings sanctioned by overseas institutions (EXCEPT NBFCs) and only actual disbursement during the eligible investment period against the sanction of term loan to be considered for incentives under this scheme.

Date of commercial Production (DoCP) – First sale bill of the product is considered as DoCP

Category-wise Classification of Talukas under the Policy & Ineligible Areas – **List of talukas** as per the Industries and Mines Department **vide GR MIS-102020-347965-I dated 02/11/2020. Only those industrial undertakings located within the limits of a Municipal Corporation (as notified on date) and engaged in eligible non-polluting activities** such as garment, apparel and made-ups, stitching, embroidery, and other activities falling under the Green/White category or its equivalent categories, as defined and amended from time to time by the GPCB, **will be considered eligible for incentives under the policy**

Eligible Investment Period – to be eligible for incentive under this resolution, the Industrial Undertaking **must have commenced commercial production during the operative Period of the Policy.**

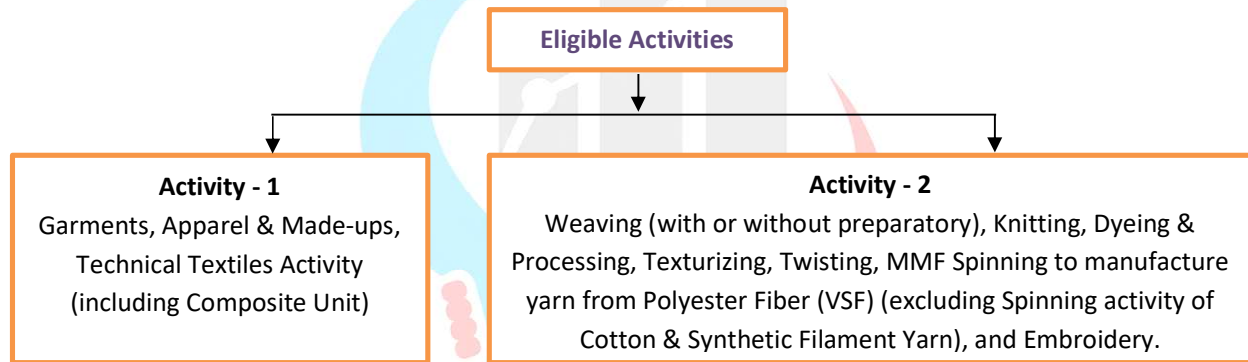
In case of Project under implementation as on 01/10/2024, the asset acquired and paid from 01/01/2024 to 30/09/2024 shall also be considered as part of Gross Capital Investment to determine Eligible Fixed Capital investment.



Composite Unit - it integrates various stages of textile production process within premises, which includes spinning, weaving, knitting, dyeing, printing, finishing and packaging of finished textile product.

Micro, Small and Medium enterprise - An enterprise which has **FIXED CAPITAL INVESTMENT IN PLANT & MACHINERY** as follows:

- Micro** - less than or equal to INR 1 crore
- Small** - more than INR 1 crore and less than or equal to INR 10 crore
- Medium** - more than INR 10 crore and less than or equal to INR 50 crore



BENEFITS UNDER THIS POLICY

Capital Subsidy (Quantum of Assistance)

Category of Taluka	Activity - 1	Activity - 2
Category 1 & PM Mitra Park	35% of eFCI, Max Rs. 100 Crore	20% of eFCI, Max Rs. 50 Crore
Category 2	30% of eFCI, Max Rs. 100 Crore	18% of eFCI, Max Rs. 50 Crore
Category 3	20% of eFCI, Max Rs. 50 Crore	10% of eFCI, Max Rs. 40 Crore

- Capital subsidy only eligible to those industrial units which avails term loan.
- Capital Subsidy will be paid only after the commencement of commercial production.
- The Capital Subsidy shall be disbursed in five equal annual installments.

Interest Subsidy (Quantum of Assistance)

Category of Taluka	Activity - 1	Activity - 2
Category 1 & PM Mitra Park	@7% on Term Loan for 8 years, maximum 3% of eFCI per annum	@7% on Term Loan for 7 years, maximum 2% of eFCI per annum
Category 2	@7% on Term Loan for 8 years, maximum 2.5% of eFCI per annum	@7% on Term Loan for 7 years, maximum 2% of eFCI per annum
Category 3	@5% on Term Loan for 6 years, maximum 2% of eFCI per annum	@5% on Term Loan for 5 years, maximum 2% of eFCI per annum

- Eligible on term loan actually disbursed.
- Industrial unit shall have to bear a minimum 2% interest levied on term loan.
- If industrial unit is under implementation as on 01/10/2024, the term loan amount disbursed only after 01/01/2024 will be considered eligible.



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Power Tariff Subsidy (Quantum of Assistance)

Activity	Quantum
Activity - 1	Rs. 1/unit (kWh) for DISCOM Power or Renewable Power through open-access or drawl of power from group captive renewable energy plant with a cap of Rs. 15 Cr/Year for a period of 5 years from DoCP
Activity - 2	

- The power consumed from its own captive power plant (Thermal and Renewable) will not be eligible for the Power Tariff Subsidy.
- Power tariff Subsidy will be eligible only on submission of copy of electricity bill in the name of Industrial Unit.

Payroll Assistance (Quantum of Assistance)

Activity	Quantum
Garment, Apparel & Made-ups (including Composite Unit)	Rs. 5000 per Female worker & Rs. 4000 per Male worker per month for a period of 5 years
Technical Textile (including Composite Unit)	Rs. 3000 per Female worker & Rs. 2000 per Male worker per month for a period of 5 years

Only for the domicile of Gujarat workers registered under EPF scheme.

Other Benefits :

Name of Scheme	Category of Taluka	Quantum of Incentive
Quality Certification	All Category	Quality Certification - 50% of fees payable to certification for national / international certification and 50% cost of testing equipment and machinery required for that certification totalling upto maximum amount of INR 10 Lakh during the operative period of the scheme.
Technology Acquisition	All Category	Eligible for 65% of cost payable, maximum upto INR 50 Lakh, including royalty payment for first two years during the operative period of the scheme.
Saving in consumption of Energy and Water	All Category	(a) 75% cost of energy / water audit conducted by a recognized institution / consultant subject to maximum of INR 50,000/- will be reimbursed during the operative period of the scheme. (b) 25% of cost of equipment recommended by the auditing authority subject to maximum of INR 20 Lakhs one time assistance during the operative period of the scheme. Notes : Assistance on cost of equipment will be eligible subject to condition that saving in energy / water minimum by 10% of average monthly consumption of previous 12 months before audit.



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DISCLAIMER:

We have made all the efforts to avoid errors or omission in the above content. In spite of this, there may be chances for its occurrence. So it is suggested that to avoid any doubt reader should cross-check all the facts, law and contents with the Original Government Publications, Guidelines or Notifications issued time to time.

Link for Government Resolution :

https://ic.gujarat.gov.in/documents/pagecontent/Gujarat%20Textile%20Policy_2024.pdf

Taluka Category:

https://ic.gujarat.gov.in/documents/commondoc/2020/I-Branch_2297_02_Nov_2020_98_06112020.pdf

