

For Feedback

TEXTILE POLICY

(Draft)

16 May 2013
GOVT. OF WEST BENGAL
2013-2018

- This is the basic framework of the Textile Policy that the state government desires to develop. The contents of this document provide an insight into the state government's focus and priorities.
- This document has been developed for seeking feedback from the industry, chambers of commerce, entrepreneurs and other stakeholders.
- The final Textile Policy of the state will be developed in consideration of the feedback received. The feedbacks can be given at cadir.msse-wb@nic.in

Zoning

The districts of the state have been divided into 4 Zones for differential treatment under this Policy. Considering the needs of inclusive growth, the policy provides additional incentives for investment in backward regions of the state.

Zone –A : Kolkata Municipal Corporation area, North 24 Parganas (excluding Sundarban areas), South 24 Parganas (excluding Sundarban areas), Howrah.

Zone – B: District of Hooghly, Sub-divisions of Siliguri, Kharagpur, Durgapur, Asansol, Haldia and Kalyani.

Zone –C: Burdwan (excluding sub-divisions of Durgapur, Asansol), Purba Medinipur (excluding sub-division of Haldia), Nadia (except sub-division of Kalyani) Murshidabad,, Malda, Jalpaiguri and Darjeeling districts.

Zone –D: Birbhum, Purulia, Bankura, Paschim Medinipur (except Kharagpur), Uttar Dinajpur, Dakshin Dinajpur, Cooch Behar and Sundarban Areas of South and North 24 Parganas districts.

Providing an Enabling Business Environment

The state government shall:

1. Provide a better and more conducive business environment for textile sector with special focus on spinning mills, yarn procurement, handloom, powerloom, hosiery and garment sector.
2. Keep simplifying the business regulatory environment in the state.
3. Develop web-enabled common application gateway.
4. Progressively make clearances by the state authorities web-enabled.
5. Introduce timelines defined in respect of all clearances.
6. Enhance the quality of human resource through training and skill development packages.
7. Promote pooling of common services and functions (common facility centre) under cluster approach for the benefit of smaller players.
8. Strengthen participation of and support to SHGs and cooperatives in the production and marketing in textile sector.
9. Set up industrial estates / textile parks for providing basic infrastructure to textile industries.
10. Encourage joint ventures with private sector in the entire value chain of the textile industry.
11. Create marketing infrastructure and support through setting up haats/parks and facilitation participation of state's textile sector in fairs/expo/exhibitions.
12. Facilitate design support to handloom sector with special focus on SHGs and cooperatives.

Capital investment subsidy

- Micro enterprise
 - in Zone A – 15%
 - in Zone B– 20%
 - in Zone C – 30%
 - in Zone D – 40%
- Small enterprise
 - in Zone A – 10%
 - in Zone B– 15%
 - in Zone C – 25%
 - in Zone D – 30%
- Medium enterprise
 - in Zone A – 5%
 - in Zone B– 10%
 - in Zone C – 15%
 - in Zone D – 20%

Subject to a ceiling of Rs 50 Lakh for small enterprise, and Rs 100 Lakh for medium enterprise.

- 20% of additional subsidy for all enterprises wholly owned by women, SC/ST and minority community entrepreneurs.
- This incentive would be in addition to what the unit gets under any scheme of Govt.

Interest subsidy

- 6% for all units and 7.5 % to units set up in the C and D Zone districts for 5 years.

Electricity duty

- 100% waiver for 4 yrs for Zones A & B, for 6 yrs for Zones C & D.

Power subsidy

- Subsidy of Rs. 1 / Kwh for units in A Zone.
- Subsidy of Rs. 1.5 / Kwh for B, C and D.
- Rs 2 / Kwh for spinning mills.

For 5 years subject to a ceiling of Rs 30 Lakh for small enterprises, Rs 40 Lakh for medium enterprises and Rs 100 Lakh for spinning mills.

Incentive for energy efficiency

- 50% re-imbusement of the cost of energy audit undertaken by an certified agency to be available after implementation of the recommendations.
- 25% reimbursement of the cost of installations for energy conservation as per energy audit subject to a ceiling of Rs 2 lakh.

Stamp duty & registration fee

- 100% for districts in Zone D, 75% for Zone C, 50% for Zone B and 25% for Zone A

Entry tax

- Reimbursement of ET on plant and machinery available after beginning of commercial production by the unit.
- Reimbursement of ET on procurement of raw materials for the initial 3 years.

VAT

- 40% reimbursement on total VAT paid during 1st year subject to ceiling of Rs.60 Lakh & 20% reimbursement on next 2 years subject to the limit of Rs. 30 Lakh.

Common effluent treatment plant (CETP)

- Assistance to the tune of 50% of project cost subject to a ceiling of Rs. 5 crore for setting up CETP in new or in existing parks.

Water conservation / environment compliance

- Assistance up to 50% or Rs. 2 Lakh maximum for water conservation / pollution control measures.

Standard quality compliance

- 50% of cost subject to a ceiling of Rs. 5 Lakh for obtaining certification / accreditation like ISO-9000, ISO-14000, ISO-18000, Social Accountability Standards, OEKO-TEX etc.
- Support for market development, branding and design applicable to a Zone marketing scheme for promotion of indigenous / traditional handloom, jute and silk products. Reimbursement of 25% of cost subject to a ceiling of Rs. 5 Lakh.

Skilled HR

- Undertake measures in collaboration with the industry to provide 1 million skilled HR over a period of 5 years.

Freight subsidy

- 50% freight subsidy to units located in Zone D districts for supplies meant for export from the state.

Cluster development

- Support of Rs. 10 crore for common infrastructure such as road, power etc for each textile cluster / park in Zone B and C in addition to Gol support.
- Support of Rs. 15 crore for common infrastructure such as road, power etc for each textile cluster / park in Zone D in addition to Gol support.

Research and development

- State shall set up East India Textiles Research Association (EITRA) as the Centre of Excellence (CoE).

HANDLOOM

1. 6% interest rebate on working capital loan taken by PWCS and Handloom Clusters/Groups.
2. Scheme for housing-cum-workshed, health insurance and other welfare schemes dovetailed with the schemes of GoI shall be put on fast track.
3. All weavers shall be covered within a period of one year under health scheme and Mahatma Gandhi Bunkar Bima Yojana (MGBBY) within two years of commencement of this Policy with GOI and State Government funding.
4. Power consumption in a weaver's household shall be treated as domestic consumption.
5. State government shall provide additional Marketing Incentive of 5% over and above the existing 10% M.I. (contributed equally by GoI and State Government), subject to ceiling of Rs. 5 lakh per PWCS.
6. 10% subsidy shall be provided on the sale value of handloom fabrics exported to a country outside India.
7. Minimum 10 Clusters/Groups shall be set up in each potential district.

POWERLOOM

1. Mega Power loom Park with common facilities centre (CFC) to be set up by the State Govt. on PPP model. Adequate pre and post machineries will be installed for the Power loom weavers of the State apart from minimum 200 hi-tech power looms.
2. 10% additional subsidy over and above the capital subsidy available under this Policy and in addition to any capital subsidy available from Gol.
3. 20% of additional subsidy for all enterprises wholly owned by women, SC/ST and minority community entrepreneurs.
4. Power Subsidy –
Subsidy of Rs. 1.5 / unit (KWH) in 'A' zone, Rs. 2.00 / unit (KWH) for 'B' zone and Rs. 2.5 / unit (KWH) for 'C' and 'D' zone.

HOSIERY AND APPAREL /GARMENT

1. 3 Hosiery and Apparel/Garment Park shall be set up by the state government on PPP model.
2. 10% additional subsidy on capital investment shall be provided for setting up of hosiery and Apparel/Garment over and above capital subsidy under this Policy.

Miscellaneous

1. **New set up** by the state government

I. West Bengal State Spinning Mills Federation (SPINFED)

Shall work as the channelizing agency for procurement of yarn and shall maintain liaison with the National Handloom Development Corporation Ltd. in respect of 10% Hank Yarn Price Subsidy Scheme of GoI for handloom weavers of the state. Shall facilitate access to organic dye for handloom sector.

II. West Bengal Silk Development Corporation Ltd. (RESHAMSHREE)

Shall look after the entire affairs pertaining to silk yarn supply, production and marketing of silk fabrics of the state with a brand name of Reshamshree.

2. Reimbursement of 100% in 1st year & 75% in next remaining years expenditure incurred towards Employees State Insurance (**ESI**) and Employees Provident Fund (**EPF**) as follows: Zone B-5 yrs., Zone C-7 yrs., Zone D-9 yrs.
3. State Government shall set up two Textile parks with CETP and common infrastructure like roads, power, water supply etc.
4. State Government will provide consultancy and facilitation services for Identification and registration of Geographical Indicators (GI).
5. Reimbursement of 50% of expenditure for obtaining patent registration subject to a maximum of Rs. 5 lakh.

Conditions / eligibility of the units for availing incentives / financial assistance under this policy

- New modern /Hi-tech plant & Machineries to be installed and shall conform to the standard productivity enlightened in TUF scheme of GOI.
- Unit will have to strictly observe requisite pollution control compliances.
- Regular Energy Audit is to be conducted and standard energy efficiency to be ensured wherever applicable.
- Unit will have to follow/maintain labour laws strictly.
- Unit will have to commit to remain in production for at least 5 years from the date of commercial production.
- A unit defaulting in payment of any government dues / FI dues will not be eligible for assistance under this policy.