

**Credit – linked 10% Capital Subsidy for
Plant & Machinery of Technical/Industrial Textiles
(G.R. No. KHPN-10-2004-1797-I dated 8.9.04.)**

Government of Gujarat
Industrial and Mines Department
Resolution No. TEX-10-2006-1161-T
Sachivalaya, Gandhinagar
Dated : 2nd Jan. 2007

- Read :** 1. Industries and Mines Department's G.R. No. KHPN-10-2004-1797-I dated 8.9.04.
2. Joint Industries Commissioner (Textile), Office of the Industries Commissioner, Gandhinagar letter No. 141/1932 dated 21.6.06.

Preamble:

Technical Textiles represent a multi-disciplinary field with numerous end-use applications. It is also considered the emerging area for investment in India. India's contribution in the global technical textiles industry is small inspite of it being the second largest textile economy in the world.

Gujarat is a leading textile state in the country. The state contributes over 33% of mill-trade fabric and 25% of power-loom fabric of the country. Textile accounts for about 21% of total employment in the industrial sector of the state. The power-looms and process houses witnessed impressive development over the years. Of late, there has also been development towards Technical Textiles and textile for industrial use, especially in South Gujarat. Considering the huge potential in this sector, both for domestic and international market, Government of Gujarat has set up Development Council in Textile sector as a part of Incentive Policy, 2003 vide GR dated 8.9.04 mentioned at preamble-1. A Working Group of Technical Textiles was constituted under the Development Council to identify opportunities and suggested policy measures for the promotion of Technical Textiles in Gujarat. Based on the deliberation in the Working Group, it has been decided to have an in-depth survey for identifying the product-mix in Technical Textiles.

KSA Technopak, a consultant, who was assigned the detailed study on textile industry of Gujarat and has also indicated the tremendous scope and opportunities in technical textile sector in Gujarat. In order to attract new investment in this specific field and tap the huge potential, the State Government has decided to introduce the following scheme.

RESOLUTION:

The Scheme:

The scheme will be known as “Credit-linked 10% Capital Subsidy for Plant and Machinery for Technical & Industrial Textiles”. The scheme will be valid for 5 years from the date of this Resolution.

Eligible Activities:

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. Other terms used for defining technical textiles include industrial textiles, functional textiles, performance textiles, engineering textiles and high-tech textiles.

The above definition and terminology again emphasizes the unique feature of this product having versatility of applications. 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.

1. Agrotech (Agriculture, Horticulture and Forestry)
2. Buildtech (Building and Construction)
3. Clothtech (Technical components of shoes and clothing)
4. Geotech (Geotextiles and Civil Engineering)
5. Hometech (Components of furniture, household textiles and floor coverings)
6. Indutech (Filtration, cleaning and other industrial usage)
7. Meditech (Hygiene and Medical)
8. Mobiltech (Automobiles, Shipping, Railways and Aerospace)
9. Oekotech (Environmental Protection)
10. Packtech (Packaging)
11. Protech (Personal and Property Protection)
12. Sport tech (Textile for sports use)
13. Defencetech (Textile for defense use)

Eligibility of Unit:

This Scheme is applicable both for existing units for expansion/upgradation or for a new unit in this filed.

(SSI units must hold provisional/permanent SSI Registration and medium and large units must have **IEM** acknowledgement/LOI/100% EOU registration from Government of India.)

Under the scheme, activities pertaining to all 13 areas and listed machinery of Technical Textiles under TUF Scheme of Ministry of Textiles, Government of India will be eligible to get benefit. However, addition of new technology over and above the

specified list may be considered by the Committee from time to time and case to case, after taking expert opinion from **ATIRA/MANTRA/SASMIRA** or any other technical institution to be decided by State Level Committee from time to time.

Quantum and Assistancae:

This scheme will provide 10% subsidy on Plant & Machinery of Technical Textiles as identified in TUF Scheme as applicable to the project. However, this 10% Credit Linked Capital Subsidy is applicable only for purchase of machinery of technical textile as listed and identified under TUF scheme or compatible with TUF scheme of Government of India. The maximum subsidy amount will be Rs. 100 lakhs in a project in 5 years period.

State Level Committee:

A State Level Committee comprising of following members will scrutinize and sanction the proposals received under the scheme.

1	Industries Commissioner	Chairman
2	Principal Chief Industrial Advisor	Member
3	Financial Advisor, Industries and Mines Department	Member
4	Deputy Secretary (Textiles), Industries and Mines Department	Member
5	Joint Textile Commissioner, Government of India, Mumbai	Member
6	Director, ATIRA	Member
7	Director, MANTRA	Member
8	Chairman, Surat Art Silk Cloth Manufacturers Association	Member
9	General Manager (Project and Technology), iNDEXTb	Member
10	Joint Commissioner of Industries (Textile), Industries Commissionerate	Member Secretary

Procedure:

The proposals for getting the incentives should be submitted to the respective District Industries Centre. DICs will scrutinize and forward the proposals to Industries Commissioner, who will submit before the State Level Committee for decision. The detailed procedure in this regard will be issued by Industries Commissioner.

The expenditure on this account will be met from the sanctioned grant of the respective financial year under the budget head of

Demand No. 49 (Plan)

Major Head : 2852 Industries

Sub-Major Head : 80 General

Minor Head : (800) Other Expenditure

IND-9-Development of Textile Industry

Subsidies (1) to others

This issues with the concurrence of Finance Department dated 13.1.2007 on this department's file of even number.

By order and in the name of the Government of Gujarat.

Sd/
(Anand Zinzala)
Deputy Secretary
Industries and Mines Department

To,
Principal Secretary to Chief Minister, Sachivalaya, Gandhinagar
Personal Secretary to Hon. Minister of State for Industries, Sachivalaya, Gandhinagar
Financial Advisor, Industries and Mines Department, Sachivalaya, Gandhinagar
Accountant General, Gujarat, Ahmedabad/Rajkot
Industries Commissioner, Udhog Bhavan, Gandhinagar
Managing director, iNDEXTb, Udhog Bhavan, Gandhinagar
Members of the State Level Committee (through Industries Commissioner)
All General Manager, District Industries Centre
Select File