



# INCENTIVES FOR GARMENT & APPAREL MANUFACTURING UNITS



S. N.	Particulars	Details
1.	Name of the department	Industries & Mines Department
2.	Policy title	Garment & Apparel Policy
3.	Policy operational period	2017-2022

S. No.	Incentive Type	Eligibility Criteria/Description	Incentive Detail
1.	Interest Subsidy	<ul style="list-style-type: none"> <li>Garment and Apparel: Definer as any ready to wear clothing made from natural or</li> <li>Man-made Fiber or blend of both through stitching process. (Class 1410 &amp; 1430 as per NIC Code 2008)</li> <li>Investment in Land, Building and Plant &amp; Machinery will be consider for Interest Subsidy.</li> </ul>	<ul style="list-style-type: none"> <li>Interest subsidy will be at the rate of 5% per annum, with maximum ceiling of Rs.7.5 Cr per year for the period of five years</li> <li>Interest subsidy will be in addition to any other incentives available from other schemes of Government of India. The amount of assistance should not be equal to or more than the actual interest charged by financial institution.</li> <li>However total incentive shall not be more than actual interest paid by unit, and the amount of assistance will be lessened to that extent.</li> </ul>
2.	Incentive in Power Tariff and Electricity Duty	The units which purchase electricity only from the state electricity / power distribution licensee will be eligible for this relief. The unit either generating power from its captive power plant or getting electricity through open access will not be eligible for the subsidy.	<ul style="list-style-type: none"> <li>Power tariff subsidy @ Rs 1 per unit in the billed amount of the utility for the units will be available for a period of 5 years from the date of commencement of commercial production as promotional initiative for Ready-Made Garments and Apparel units.</li> <li>In case of expansion, the power tariff subsidy will be available only for the additional facility, i.e. approved as expansion, hence sub-meter shall be installed and unit consumed by sub-meter will be certified by distribution Licensee Company. If such meter is not installed on the date of commencement of production than assistance will be available from the date of installation of the sub-meter.</li> </ul>
3.	Assistance for Skill Development		<ul style="list-style-type: none"> <li>Setting up training institution: The State Government shall provide assistance for setting up a training institution of up to 85% of project cost up to 3 crore</li> <li>Training Centers: The State Government shall provide assistance of 50% subject to a limit of Rs. 20 lakhs per center towards purchase of equipment and machinery, electrification and necessary furniture.</li> <li>Reimbursement of tuition fees to trainees: The assistance will be at 50% of total fees charge by institutions, subject to a limit of up to Rs 7,500/- per trainee (Rs. 10,000/- for middle level management courses) per course in apparel production in institutions approved by the sanctioning authority for 5 years.</li> <li>The institution training centers will be required to provide training as per the norms of MES/AEPC.</li> </ul>

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4.	Assistance for Dormitories	<ul style="list-style-type: none"> <li>• To GIDC               <ul style="list-style-type: none"> <li>○ The state government, operating through GIDC shall provide dormitories as per the industry requirements in select locations. The dormitories will be provided to the apparel firms, parks or their SPVs on either long-term lease or rental basis. The dormitories will be operated by the leasing entity itself.</li> <li>○ GIDC shall prioritize construction of dormitories in locations with high demand and work out details such as nature of dormitory, rentals etc. on a case to case basis.</li> <li>○ The minimum lock in period for renting of dormitory to individual unit will be 10 years from the date of allocation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Enterprise will be provided rent assistance at the rate of 50% of the rent fixed by GIDC for 5 years.</li> </ul>
5.			<ul style="list-style-type: none"> <li>• To private developer               <ul style="list-style-type: none"> <li>○ The state Government shall provide financial assistance to individual units or parks for construction of dormitories for a minimum of 250 workers, up to 50% of the project cost (excluding land) with a ceiling of Rs.5 crores per entity with a maximum built up area of 50 sq. ft. Per Person.</li> </ul> </li> </ul>
6.	For Establishment of Mega Apparel Park	<p>General Eligibility</p> <ul style="list-style-type: none"> <li>• Any industry Association/industrial House/Co-operative society/ institution registered under the Societies Act, Partnership Act or the Companies Act OR any Government body like GIDC shall be eligible as developer to avail assistance under the scheme.</li> <li>• The park must have provision for the accommodation of minimum 20 numbers of Garment / Apparel units' having 75 nos. of machines.</li> <li>• Provision of common facilities like canteen, toilets, drinking water and primary medical facilities for workers, employees and visitors, common parking for transporters, garden</li> </ul>	<ul style="list-style-type: none"> <li>• The park will be provided financial assistance of up to 50% with maximum limit of Rs.10 crore for establishing common infrastructure facilities in the park excluding land and industrial shed.</li> <li>• The developer of such park and enterprises in the park will be eligible for exemption of stamp duty on purchase of land required this exemption will be available only for once to developer and the first purchaser of an individual unit. Stamp duty exemption certificate will be issued after approval of the project. A separate notification in this regard will be issued by the Revenue Department of State Government.</li> </ul>

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		and fire safety facility will have to be established by the developer in the park.	
7.	Payroll Assistance	<ul style="list-style-type: none"> <li>• Registration               <ul style="list-style-type: none"> <li>○ Unit will have to apply for registration within 3 months from the date of Term Loan sanctioned.</li> <li>○ Unit will have to produce location proof, project report and Term Loan sanction letter along with application form or upload with application.</li> <li>○ Merely getting the registration will not make the unit be eligible for incentives</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• For New Apparel units               <ul style="list-style-type: none"> <li>○ The state Government shall provide 50% of the wages. Rs. 4000/- for female employee and Rs.3200 for male employee per month for a period of 5 years as payroll assistance to new enterprise having minimum 75 machines (cutting, stitching, sewing machines) and generating at least 150 domicile jobs.</li> </ul> </li> <li>• For Expansion               <ul style="list-style-type: none"> <li>○ In case of expansion, the above will be available only for additional workers, provided that expansion is of minimum 75 machines (cutting, stitching, and sewing machines) and generates at least 150 additional jobs.</li> </ul> </li> </ul>
8.	Plug and Play Systems for Apparel Manufacturing		<ul style="list-style-type: none"> <li>• The State Government shall make readymade sheds available for apparel factories in selected locations will be provided either on long-term lease or rental basis.</li> <li>• GIDC will identify suitable plots for the construction of multistoried sheds in the saturated estates. GIDC will submit a proposal to Industries Commissioner office. The Industries commissioner's office will scrutinize the application. GIDC will construct multi storied structure with adequate infrastructure like electricity connection, water drainage and sanitation, Lift for transport of materials and Man Power etc. After completion of the building. GIDC will allot the sheds as per the allotment procedure. GIDC will fix the price as per the prevailing policy of GIDC. The assistance up to 50% of project cost for the development of project will be given directly to GIDC. GIDC will pass on such assistance on pro rate basis to Garments &amp; Apparel Enterprises</li> </ul>