

# Uttar Pradesh Textile and Garmenting Policy 2022

Department of Handloom and Textiles,  
Government of Uttar Pradesh

**Note:** - *This is the English translation of the Uttar Pradesh Textile and Garmenting Policy – 2022, notified by the Government of Uttar Pradesh on 17<sup>th</sup> October, 2022. In case of any discrepancy between this English translation and the Government Order in Hindi, then the Hindi version will prevail.*

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## 1. Preamble

Indian textiles and apparel have a history of fine craftsmanship and global appeal. Traditionally, India has been a major producer of textiles, and the cotton, silk and denim produced here are highly popular abroad. With the upsurge of Indian design talent, Indian textiles and apparel industry have found success across fashion centres around the world.

With massive raw material and manufacturing base across the value chain, India is the world's sixth-largest exporter of textiles and apparel and holds approximately 4% share in global trade in textile and apparels. The textile industry is a significant contributor to the economy, both in terms of its domestic share and exports. It contributes about 7% to industry output, 2.3% to the GDP and 13% to the country's total export earnings.

The Indian textile products are exported to more than 100 countries and there is an enormous opportunity for the Textile and Apparel industry, as the global textile and apparel trade is expected to reach INR 75 Lakh Crore (USD 1 trillion) by 2025 from INR 63 Lakh Crore in 2019. USA, European Union and UK account for approximately 47% of India's textiles and apparel exports.

In addition to conventional textiles, technical textiles have emerged as a high growth area with newer applications. The market for technical textiles is expanding as the products are being applied in various industries such as agriculture, clothing, construction, healthcare, transportation, packaging, sports, environmental protection, protective wear, and more. The segment has shown a promising growth of 20% from USD 16.6 Bn in 2017 – 18 to USD 28.7 Bn in 2020 – 21.

The Government of Uttar Pradesh is determined to provide favourable ecosystem and promote Indian Textiles & Apparel Industry to make them competitive with Industries from the leading textile & apparel exporting countries.

Uttar Pradesh has a long tradition of textiles and is home to the finest weavers in the country. The Silk sarees from Varanasi and Mau; Chikankari from Lucknow; Zari-Zardozi from Lucknow, Bareilly and Shahjahanpur; Carpets from Bhadohi, Mirzapur and Sonbhadra; Durries from Sitapur and Readymade Garments from Gautam Buddh Nagar and Kanpur are strength and pride of the entire country.

Uttar Pradesh is one of the largest markets for apparel and textiles and possesses one of the largest pools of young and trained workforce. In addition, the state has one of the most competitive work force, abundant and good quality of water & power, which are favourable conditions for the labour-intensive textile manufacturing.

Considering the immense potential for growth that exists in this sector, Uttar Pradesh is ideally positioned to benefit from this opportunity. This policy is aimed to promote and develop a robust textile industry that generates employment and positions Uttar Pradesh as one of the most preferred destination for Textile and Apparel industry.

## 2. Objective and targets of the Policy

The main objective of this policy is to establish Uttar Pradesh as a Global Textile Manufacturing Hub and to promote sustainable growth of the entire value chain. Specific objectives of the policy are: -

- a) Attract investment in the textile and apparel sector to the tune of INR 10,000 Crore
- b) Generate employment opportunity for 5 lakh persons
- c) Development of five (05) Textile and Apparel Parks through private sector

- d) 50% increase in earnings of Handloom and Power loom weavers
- e) Modernisation of power looms and their operation through solar energy
- f) Increase production of silk yarn in the state

### 3. General Conditions

- 3.1 The Uttar Pradesh Textile and Garmenting Policy – 2022 will come into effect on the date of its notification by the Government of Uttar Pradesh and shall remain in force for a period of 5 years or till it is amended or superseded by the Government of Uttar Pradesh.
- 3.2 The eligible units which have applied for incentives under the previous policy i.e. “Uttar Pradesh Handloom, Power-loom, Silk, Textile and Garmenting Policy 2017” of the state will continue to get benefits under that policy.
- 3.3 The incentives/facilities provided under this policy will be in addition to the incentives / facilities provided under the TUFs scheme or any other schemes of Government of India; unless it is specifically mentioned in the specific clause.
- 3.4 The incentives and facilities enumerated in this policy will be applicable for new textile and garmenting units as well as to the existing textile & garmenting units that undertake expansion/diversification (as per point number 3.6 of this section) by investing minimum 25% additional investment in new plant and machinery.
- 3.5 New unit shall mean an enterprise, which has made new investment in the state after the notification of this policy and during the operative period of this policy. The commercial production of such new unit must have been started within a period of three (03) years from the date of issue of “Letter of Comfort” to the unit.
- 3.6 Expansion/Diversification unit shall mean an existing unit which is taking up expansion and/or diversification with an investment of more than 25 percent of existing Gross Value of Fixed Capital Investment (land, building, plant & machinery, spare-parts) and increases the previous installed capacity of the unit by minimum 25 percent. The commercial production of the said expansion/diversification unit must have been started within a period of three (03) years from the date of issue of “Letter of Comfort” to the expansion/diversification unit.
- 3.7 For the purpose of this policy, an employed person/worker means a person (domicile of Uttar Pradesh) working on permanent payroll or on contract or on fixed term contract of the firm.
- 3.8 The total incentive drawn as per provisions under this policy shall not exceed 100% of fixed capital investment (Land, Building, other Construction, Plant & Machinery and Miscellaneous Fixed Assets) for any textile and garmenting unit under this policy. This upper limit will be 80% of Fixed Capital Investment, for the units set up in the Gautam Budh Nagar district.
- 3.9 The State Government has kept an annual ceiling of INR 500 crores on total expenditure for all subsidies under this policy.
- 3.10 The term textile unit shall denote to following manufacturing units. Any other category of manufacturing unit, which is not listed below, will not be eligible to avail incentives under this policy: -
  - Sericulture (including chaaki and koya production), reeling, handloom
  - Spinning, Weaving, Knitting

- Dyeing, Processing, Printing
- Garmenting (garment manufacturing, embroidered cloth, made-ups, home textiles, fashion accessories, leather garments, apparel and accessories)
- Embroidery and embroidered fabrics
- All type of technical textiles and jute products
- Pre-Spinning Processes of all kinds of Textile fibres: - (Ginning & Pressing process, Polyester/Viscose/Nylon/Acrylic Staple Fibre/Filament Yarn/Recycled Polyester Staple Fibre etc.)
- Post Spinning Processes of all kinds of Textile Yarn: - (Winding, Drawing, Twisting, Doubling, Reeling, Texturising, Crimping, Entanglement etc.) and all kind of Pre-Weaving Processes (Warping, Sizing etc)
- P.P. Mat Produced only on Power loom
- Non-Woven Fabrics
- The incentives mentioned in this policy will not be provided for setting up of textile and garmenting unit manufacturing any legally restricted product.

3.11 The investments made after the notification and during the operative period of Uttar Pradesh Textile and Garmenting Policy – 2022, will be eligible for incentives under this policy.

3.12 If land is available with an investor before the notification of this policy, then such investor will be allowed to avail the incentives on setting up of unit under the Textiles and Garmenting Policy-2022, but the investment made by the investor on the purchase of land or investment in partial construction before notification of this policy shall not be included in the calculation of Fixed Capital Investment (FCI). Such investor will be eligible for incentives under this policy except the incentive related to the Land Cost Subsidy, Stamp Duty Exemption and any incentive on partial construction done before the notification of this policy.

3.13 The subsidy for Plant and Machinery shall be considered under this policy, only if the date of loan disbursement by the bank/financial institution for the purchase of said Plant & Machinery is done on or after the date of notification and during the operative period of the policy.

3.14 Fixed Capital Investment (FCI) shall include the investment on land, building (except Administrative Building), miscellaneous fixed construction, plant & machinery, and equipment. Only up to 10 percent of the effective cost of land will be considered while estimating the Fixed Capital Investment.

3.15 “Eligible Capital Investment” shall mean such investments which has been made by any textile & garmenting unit during the operative period of the policy and the commercial production has been started by such unit within a period of three (03) years from the date of issue of Letter of Comfort.

3.16 “Eligible Period of Investment” shall mean the period starting from the notification of this policy till the operative period of this policy. The investment must have been made by the textile and garmenting unit during the operative period of this policy and the commercial production has been started within a period of three (03) years from the date of issue of Letter of Comfort.

3.17 “Plant and machinery” shall mean new indigenous / imported plant, machinery and equipment. This will include humidifier, generating set, boiler, captive power plant, dyes &

moulds, solar power plant and other new plant & equipment similar to the nature of the unit, which are helpful in production. The cost of transportation, erection, installation and electrification shall also be included in the cost of plant and machinery, if this cost is being charged by the vendor/supplier along with the cost of machinery. The cost of old plant and machinery will not be considered under the cost of plant and machinery.

- 3.18 The incentives under this policy will be provided to the textile and garmenting unit, only if the said unit has not received the incentive under the same head from any other policy of the state.

## 4. Incentives for Units

### 4.1 Land Cost Subsidy

- a) Land cost subsidy shall be provided to the textile and garmenting units, on purchase of land in industrial areas developed by the Government Agencies/Department and other development authorities. A subsidy of 25% of land cost will be reimbursed to investors who buy land directly from such Government agencies. In Gautam Budh Nagar district, this subsidy will be 15% of land cost. The subsidy will however, be limited to 10% of the total project cost and only 10% of the effective land cost will be included while estimating the project cost.
- b) This reimbursement of land cost subsidy will be made only when the unit starts commercial production within five years of buying the land. This subsidy shall also be provided to the investors who buys land in Lucknow/Hardoi to set up a textile and garmenting unit within the proposed PM MITRA Park. The PM MITRA Park will be operated through a SPV, owned by the Government of Uttar Pradesh and Government of India.

### 4.2 Stamp Duty Exemption

Land purchased or taken on lease from the State or Central Government, or their undertakings (Corporation/Council/Board/Company/Institution) will be eligible for exemption from stamp duty (on submission of Bank Guarantee). The Bank Guarantee will be released after the start of commercial production by the unit and Joint inspection by the Assistant Commissioner, Handloom/Deputy Commissioner, Handloom and the Department of Stamp & Registration, Government of Uttar Pradesh.

- a) Textile & Garmenting units to be set up in the state (except Gautam Budh Nagar district) will be entitled for 100% exemption of stamp duty. In Gautam Budh Nagar district, 75% of stamp duty will be exempted.
- b) Land purchased in any part of the State for the development of infrastructure facilities (Such as Integrated Transport & Commercial Centre, Exhibition Centre, Warehouse, Water-Supply, Sewage lines, Sewage Treatment Plant, Solid Waste Management Plant, Effluent Treatment Plant) for Textile and Garmenting industry will be eligible for 100% exemption of stamp duty.
- c) 100% exemption of stamp duty will be made available to the developer of the PM MITRA Park and private textile park, except in Gautam Budh Nagar district.
- d) 100% exemption of stamp duty will be made available to the first buyer of plot/unit to be set up in a PM MITRA Park and 50% exemption of stamp duty will be made available to the first buyer of every plot/unit to be set up in a textile park/estate developed by a private sector.

- e) 100% exemption of stamp duty will be available to Sericulture (Chaaki and Koya production), threading units to be set up in any part of the State.
- f) Calculation of stamp duty exemption will be based on the prevailing circle rates as on the date of purchase of land for all of the above.

### 4.3 Capital Subsidy

- a. A Capital Subsidy of 25 percent of the investment made on purchase of Plant and Machinery will be reimbursed to the textiles and garmenting units, which generates minimum employment of 50. In addition to the above, reimbursement of additional capital subsidy at the rate of 10 percent will be provided to the units set up in Poorvanchal and Bundelkhand region of the state, as per the table given below. The maximum limit of the Capital Subsidy is INR 100 Crore per unit.

Unit Level	Investment on Plant & Machinery (INR Crore)	Minimum Employment Generation	Rate of Capital Subsidy (in Percent)	Additional Capital Subsidy for units set up in Poorvanchal and Bundelkhand	Upper Cap on Capital Subsidy (INR Crore)
First	<=10	<50	15%	NIL	1.00
Second	<=10	50	25%	10%	2.00
Third	>10 but <=50	200	25%	10%	10.00
Fourth	>50 but <=100	300	25%	10%	20.00
Fifth	>100 but <=200	500	25%	10%	40.00
Sixth	>200	1000	25%	10%	100.00

- b. As per the above table: - In case the Unit Level for any Textile and Garmenting unit is different as per "**Investment on Plant & Machinery**" and "**Minimum Employment Generation**", then the rate of Capital Subsidy, Additional Capital Subsidy and Upper Cap on Capital Subsidy will be applicable according to the relatively smaller Unit Level.

**For Example:** - If any investor has made an investment of INR 80 Crore on Plant and Machinery to set up a unit, then according to the Investment, the level of the unit will be **Fourth** and the Employment Generation from the said unit is 100, then the level of the unit according to Minimum Employment Generation will be **Second**. In this scenario, the unit level is different as per Investment on Plant & Machinery and Minimum Employment Generation, therefore, the investor/unit will be eligible for incentives as per the lower unit level, i.e., Second Level, in which the upper cap of investment is INR 2.00 Crore.

### 4.4 Subsidy for Infrastructure

- a) Subsidy of 50% of the project cost for developing infrastructural amenities for self-use such as (i) Road, (ii) Drainage & Water Supply, (iii) Power Supply (power line, transformer etc.), subject to a maximum of INR 3 Crore for each unit (at the rate of INR 1 Crore for each of the components). This subsidy will be provided only in case of set up of unit on undeveloped land parcels.
- b) Subsidy of 50% of the project cost for establishment of Effluent Treatment Plants (ETPs) and DG Sets, subject to maximum of INR 5 Crore for each unit. The ETP and DG Set should be as per norms set up by the Central Pollution Control Board (CPCB), National Green Tribunal (NGT) or any statutory body of Government of India / Uttar Pradesh. This subsidy will be provided only in case of set up of unit on undeveloped land parcels.

- c) Subsidy of 25% of the project cost will be reimbursed, for developing an In-house training facility, Testing laboratory, Quality Certification Labs, R&D Centre, subject to maximum of INR 2.5 Crores per unit.
- d) Subsidy of 25% of the project cost will be reimbursed, for construction of staff-quarter, worker's hostel/dormitory, subject to maximum of INR 5 Crores per unit.
- e) The cost of land shall not be considered as part of the project cost for the purpose of subsidy for Infrastructure.

#### **4.5 Interest Subsidy on Plant and Machinery**

- a) Interest subsidy will be provided to the textile and garmenting units on purchase of Plant & Machinery eligible under the TUFs/ATUFs or amended scheme of the Ministry of Textiles, Government of India.
- b) 60% amount of the annual interest paid by the unit on the loan taken from commercial banks / financial institutions for plant and machinery will be reimbursed for a maximum period of 07 years.
- c) The maximum limit of this interest subsidy for the textile and garmenting units in the state (except Gautam Budh Nagar district) will be INR 1.5 Crore per annum per unit. The upper limit of this subsidy for units in Gautam Budh Nagar district will be INR 75 Lakhs per annum per unit.

#### **4.6 Incentives relating to Energy**

- a) 100% exemption from electricity duty will be given to the new textile and garmenting units for a period of 10 years.
- b) Electricity produced by new textile and garmenting units, from Captive Power Plants and used for self-consumption, will be exempted from electricity duty for a period of 10 years.
- c) As per the rules of the Department of Energy, Government of Uttar Pradesh, the Textile & Apparel Parks and Units consuming more electricity than a specified threshold will be permitted open access as per Electricity Act, 2003.
- d) Efforts will be made to reduce power tariff by innovative methods like Time of the Day metering and harnessing of renewable sources especially in Bundelkhand.
- e) It will be ensured that textile clusters/parks/units that consume more power than a specified threshold and have the facility of independent feeders, whether paid by them or not, are not subjected to power cuts as far as possible. No other loads will be connected to such independent feeders.

#### **4.7 Employment Generation Subsidy**

- a) Mega and Super Mega units act as anchor industries, and they function as drivers for regions and lead to springing up of smaller ancillary units and development of areas around them. The State Government will give Employment Generation Subsidy to such Mega and Super Mega Garmenting units.



- b) Mega and Super Mega Units are defined on the basis of “Investment on Plant & Machinery” and “Employment Generation” as per the following criteria: -

Type of Unit	Criterion	
	In Bundelkhand & Poorvanchal region	In rest of Uttar Pradesh
Mega Units	Investment: INR 50 to 75 Crores Or Employment: Minimum 500 (Minimum 1,000 for garmenting units)	Investment: INR 75 to 125 Crores Or Employment: Minimum 750 (Minimum 1,500 for garmenting units)
Super Mega Units	Investment: More than INR 75 Crores Or Employment: Minimum 750 (Minimum 1,500 for garmenting units)	Investment: More than INR 125 Crores Or Employment: Minimum 1,000 (Minimum 2,000 for garmenting units)

- c) Employment generation subsidy of INR 3,200/- per worker per month will be provided to the mega and super mega garmenting units in all districts except Gautam Budh Nagar and Ghaziabad, for a period of 05 years.
- d) In order to avail the employment generation subsidy, every person employed in the unit should be enrolled in EPF and should have a valid Aadhaar number and the payment of salary to the employee by the unit should be done by DBT in his bank account.
- e) This employment generation subsidy will be provided to those Mega/Super Mega Garmenting Units which cumulatively set up the first 15,000 sewing machines to encourage early investors.

#### 4.8 Freight Reimbursement

To promote export of garments, 25% to 75% reimbursement of freight cost of the container from unit to port, will be provided to new Garmenting units, for a period of 5 years as per table below. The units which are availing freight related incentives under the U.P. Export Promotion Policy, will not be eligible for the Freight Reimbursement under this policy. However, the units will be eligible for incentives under other relevant categories of U.P. Export Promotion Policy.

75%	for first 2 years
50%	for the next 2 years
25%	in the fifth year

### 5. Encouragement for marketing

- a) Four special exhibitions will be organised every year in big cities of the country outside Uttar Pradesh to promote the sale of silk, handloom, power loom products produced by the weavers of Uttar Pradesh. The weavers will be provided assistance to participate in such exhibitions. The approximate expenditure on each exhibition will be INR 50 Lakh.
- b) Weavers, Master Weavers, Weaver Co-operative Societies, Handloom/Power loom/Textile Units (Micro Units) of the state will be given financial assistance to participate in up to 3 exhibitions/events within the country, which are organised by any Export Council established by the Government of India or State Government or any textile related events of notable agencies. The government officials shall also be sent to these exhibitions/events to incorporate the learning / best practices in the state. A grant of 90% of the total expenditure for participation up to two (02) persons will be given to the participants on reimbursement basis.

- c) Preference will be given by State Government departments and their agencies to the Powerloom and Handloom products manufactured in state while purchasing items like uniforms, blankets, other textile products such as Sarees, dress material etc.
- d) The State Government shall endeavour to sensitise large Indian and international brands and retailers to source from Uttar Pradesh, to help provide strong market linkage especially to MSME units in the state.

## 6. Special Incentive for Units under the PM MITRA Park Scheme

The following special incentives shall be provided to all the units set up in the PM MITRA Park scheme of the Ministry of Textiles, Government of India, in addition to the other eligible incentives under this policy and incentives provided by the Ministry of Textiles, Government of India.

- a) **Open Access of Electricity** – The SPV/Master Developer shall be granted permission for open access of electricity as per Electricity Regulation Act and rules of the Department of Energy, Government of Uttar Pradesh.
- b) **Power Tariff Subsidy** – The units generating minimum employment of 50, will be eligible for Power Tariff Subsidy of INR 2.00 per billed unit (Kwh) for 5 years from the date of commencement of commercial production, on purchase of electricity from a licensee utility. The maximum limit of this subsidy will be INR 60 Lakh per annum per unit. The power consumed from its own captive power plant or electricity purchased through open access will not be eligible for Power Tariff Subsidy.
- c) **Stamp Duty** – 100% exemption of stamp duty (on submission of Bank Guarantee) will be provided to the developer and first buyer of plot.

## 7. Incentives for Private Textile Parks

- a) The Government of Uttar Pradesh will promote development of Integrated Textile and Apparel Park through Public Private Participation (PPP Mode) to be developed in a minimum area of 25 acres with Plug and Play facilities including Common Effluent Treatment Plant (CETP).
- b) The Government of Uttar Pradesh will provide financial assistance of up to 50% of the project cost (excluding cost of land), up to maximum of INR 50 Crore. The state government will strengthen the existing connecting road to the park, if required and provide necessary electric line or separate feeder and transformer/sub-station.
- c) The developer of these Private Sector Textile & Apparel Park shall be provided 100% exemption of stamp duty (against submission of Bank Guarantee/FDR) on purchase of land in state, except in Gautam Budh Nagar district. The first buyer of plot/units set up in these textile and apparel park will be eligible for 50% exemption of Stamp Duty.
- d) This Textile and Apparel Park must have at least 10 units and no single unit must have been allotted more than 40 percent of the total available industrial area. The above incentive shall be disbursed to the developer in three (03) instalments as per below milestones: -

Allotment of units in the total available area (in percentage)	Release of Incentive Amount (In Percentage)
25% of the area allotment to units	40% of the eligible incentive amount
50% of the area allotment to units	40% of the eligible incentive amount

100% of the area allotment to units	20% of the eligible incentive amount
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## 8. Incentives for promotion of Silk Industry

- a) Units for rearing of chaaki worm, koya production, reeling and spinning in sericulture sector, with a maximum capital investment of Rs.1.00 crore, that take loan from banks/financial institutions, will be eligible for capital subsidy to the tune of 15% for margin money. The margin money will be calculated based upon appraisal of project cost done by the Bank. In case of SC/ST entrepreneurs, this grant will be 20%.
- b) Capital subsidy of 20% will be given to silk reeling units requiring a capital investment of Rs 1 Cr or more, in addition to subsidy from Government of India institutions such as the Central Silk Board.
- c) Subsidy under sub clauses a) and b) will be provided in addition to the State Government's share in the schemes of Government of India and/or CSB.
- d) Working Capital Subsidy: Silk reeling units which produce minimum 75% thread from koya produced in Uttar Pradesh will be eligible for interest subsidy at the rate of 5% on Working Capital Loan for a period of 5 years. The maximum limit of this will be Rs 50,000 per annum.

## 9. Financial Incentives for starting new employment to the youth of the state

- a) The youth (resident male/female of Uttar Pradesh) shall be encouraged towards Self-employment related to the production, design, marketing and export of handloom and textile products. This special facility will be available to youth (male/female) who are not above 35 years of age.
- b) **Financial benefits to start new employment in production sector:**
  - i. If resident/s of the state starts his own new employment related to textiles sector in the state, then they will be provided incentives as per the following description.
  - ii. Preference will be given to those resident/s, in purchase of land from UPSIDA, GIDA, NOIDA, GREATER NOIDA or other authorities, to start new employment.
  - iii. Students who have passed three years diploma from Indian Institute of Handloom Technology (I.I.H.T) and have started new employment related to the weaving by installing either 5 to 20 number of Handlooms or 5 to 10 number of Power looms in a shed, will be incentivised by providing subsidy of 75 percent of the project cost. The maximum limit of this subsidy will be INR 20 Lakh per person (or group) for Handloom sector and INR 60 lakh per person (or group) for the power loom sector.
  - iv. Graduates in the field of Textile, Textile Design or Fashion Design will be encouraged to start employment in Garmenting and Apparel or Home Furnishing sector, through following incentives: -
    - 50 percent subsidy on the rent of flatted factories allotted by the Development Authorities or any other Government Institutions, will be given for a period of 5 years.

- To start new employment in this sector, a subsidy of 75 percent of the cost of plant & machinery and cost of infrastructure will be provided, subject to a maximum of INR 25 Lakh per entrepreneur.

**c) Financial benefits to start new employment in design sector:**

Graduates in Textile Design or Fashion Design or Fashion Branding/Marketing who want to set up a design studio with modern facilities, as a new employment will be provided subsidy of 75 percent of the Project cost, subject to a maximum of INR 30 lakh per entrepreneur.

**d) Financial benefits to start new employment in marketing sector:**

- I. If the youth (Resident male/female of Uttar Pradesh) organises into a group to increase the sale of textile products and starts a new employment by forming a marketing company with all types of marketing arrangements including facilities for online sale, then a subsidy of 75 percent of the cost for registering the marketing company and cost for necessary infrastructure facilities for setting up the marketing company will be payable, subject to a maximum of INR 50 lakh per company. Preference will be given to the children of weavers for encouragement in this work.
- II. If a company is formed by the youth of the state and the same company creates its own brand through marketing and opens its chain outlets, then the following financial incentives will be provided: -
  - Financial assistance of INR 2 crore will be given on opening of 50 outlets outside or within the state, subject to the condition that sales from all the outlets have been made for a period of three years and a minimum sales of INR 4 crore have been made per year.
  - Financial assistance of INR 4 crore will be given on opening of 100 outlets outside or within the state, subject to the condition that sales from all the outlets have been made for a period of three years and a minimum sales of INR 8 crore have been made per year.
  - Financial assistance of INR 8 crore will be given on opening of 200 outlets outside or within the state, subject to the condition that sales from all the outlets have been made for a period of three years and a minimum sales of INR 16 crore have been made per year.
  - Financial assistance of INR 10 crore will be given on opening of 500 outlets outside or within the state, subject to the condition that sales from all the outlets have been made for a period of three years and a minimum sales of INR 20 crore have been made per year.

The condition is that 80 percent of the total prescribed number of outlets as mentioned above, must be established outside the state. Apart from this, if a company opens 25 or more outlets outside the country and make annual sales of minimum INR 2 crores from the same outlets, then an additional subsidy of INR 2 crores per company will be provided.

**e) Financial benefits for export:**

In order to promote the export of textile goods/garments produced in the state, if any youth (resident of Uttar Pradesh) wants to start a new export house or company in the state, then 75 percent of the fee spent in registration will be reimbursed and 75 percent of the project

cost for necessary infrastructure facilities will be reimbursed, subject to a maximum of INR 20 Lakh per export house/company.

**f) Buyer– Seller meet: -**

- I. In order to promote the export of textile goods/garments produced in the state, two buyer-seller meets, one in the western and other in the eastern region, will be organized in a year. An amount of INR 20 Lakh per buyer-seller will be spent for necessary arrangements etc.
- II. If any organization related to exports wants to organize a buyer-seller meet at its own level, then the 50 percent of the total cost of event will be reimbursement, subject to a maximum of INR 10 Lakh per buyer-seller meet.

**g) Organizing Fashion Show:**

In order to promote the export/marketing of textile goods/garments produced in the state, the department/institution will organise fashion shows in two major metro cities of Uttar Pradesh. An amount up to INR 20 Lakh per fashion show will be spent for necessary arrangements etc.

**h) Organizing Export Fairs or Expo:**

A 14-day Uttar Pradesh Handloom, Silk and Khadi Expo of Handloom, Silk, Khadi and other textile products of the state will be organized once a year at the major business centres of the state or country, for which an amount of INR 70 Lakh will be spent on its arrangement and promotion.

## **10. Ease of Doing Business**

**a) Plug and Play Infrastructure:**

The state government will promote cluster-based development by means of developing Plug and Play infrastructure and flatted factories with the necessary infrastructure, to enable the industry by reduction of initial capital in land, enhanced quality and overall competitiveness. These Plug & Play facilities will be offered to industries on rental/short term lease basis to reduce their upfront investment in land and help them to invest more capital in technology.

**b) Grievance Redressal Portal:**

A two-tier grievance redressal committee will be formed by the department to redress all kinds of problems received from investors, which will review the problems of investors on a monthly basis. The investors will be able to register their problems online on the designated website/portal. If the problems raised by the investors are found to be consistent, they will be presented before the primary level committee, which will be headed by the Commissioner and Director, Handloom and Textiles. If the resolution to the said problem is not possible at the level of the primary level committee, then the same will be presented before the high-level committee formed at the government level.

**c) Integrated Incentive Management System:**

An integrated incentive management system (online portal) will be developed to accept paperless applications for investments made under the policy and to ensure that evaluation of proposals received are done in a time bound manner and disbursement of incentives is

streamlined. The investors will be able to track real time status of their investment proposal at this online portal. The incentive amount will be disbursed after the approval of eligible incentive amount by the state government, at the earliest.

**d) Dedicated Investors Helpdesk:**

A dedicated team will be formed to handhold the investors with their queries on the policy benefits, easing their investment process and support to investors at every step.

**e) Attracting Anchor Units:**

The state aims to attract large players in the Textile and Apparel sector, who can act as an anchor unit and engage with the existing players to integrate supply chain for operational efficiencies. The state will organise roadshows in various national/international destinations to showcase the tremendous investment opportunities and to attract investment from foreign investors.

## **11. Project Management Agency**

The Department of Handloom and Textiles, Government of Uttar Pradesh shall appoint a team of professionals as Project Management Agency (PMA) for policy implementation and supporting the department in publicizing the policy benefits among national / international investors, brands and other stakeholders and providing prompt support to the investors. The PMA will discharge the following functions: -

**Handholding with the State Government:** PMA would assist in drafting rules/statutory changes and other necessary documents for smooth implementation of the Textile and Garmenting Policy.

**Development of marketing collaterals:** PMA would assist in developing marketing material such as brochure, flyers, etc. which highlights the benefits of investing in Uttar Pradesh. The same may require to be customized for prospective investors from different part of the value chain (fibre to finished products); different geographies, etc.

**Information Dissemination on State Policy:** PMA would assist State Government in organizing Road Shows/Workshops/Seminars/Media Campaign etc. aimed at sensitizing stakeholders about initiatives and support available under the policy. PMA would also support participation in various national and international textile and apparel sector events.

**Identification of Prospective investors:** PMA would identify potential investors for Uttar Pradesh; Indian as well as international for the entire textile manufacturing value chain e.g. spun yarn, knitting, weaving, nonwovens, processing, garments, made-ups, and technical textiles. It should also include ancillary sector such as garment accessories.

**Coordination with prospective investors:** PMA would connect with investors on one-to-one basis and market investment opportunity to them. It would also facilitate business meetings and coordination for investor visits and follow-up with individuals/ companies which have expressed their interest to invest. PMA would also assist UP State Government in responding to queries raised by prospective investors and ensure the investments take place in the State.

**Assistance in mobilization of Proposal under various schemes:** PMA would assist State Government in inviting, scrutinizing and mobilizing of proposals and projects eligible for assistance. PMA would also provide guidance and support to investors in their documentation.

**Evaluation and Appraisal of Techno-feasibility reports and Detailed Project Reports (DPRs):** PMA would assist State Government in selection of projects through Evaluation / Appraisal of techno-feasibility reports and DPRs submitted by the investors.

**Monitoring and Reporting:** PMA would assist State Government in effective monitoring of these projects by way of providing periodical progress reports on approved projects.