



ODISHA APPAREL AND TECHNICAL TEXTILES POLICY-2022



Handlooms, Textiles &
Handicrafts Department

ODISHA
NEW OPPORTUNITIES

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1. INTRODUCTION

Odisha: India's finest destination for Apparel and Technical Textiles Industries

Odisha is one of the fastest growing states of India with vibrant industrial ecosystem and abundant natural resources. It has a strategic location on the eastern coast, which provides access to global shipping and trade routes. Major railway lines pass through it, connecting central India with the south. The State Government's pro- business strategies coupled with socio-economic developmental policies makes Odisha a unique location for setting up of industries and manufacturing operations. Additionally, the State Government provides various fiscal and non-fiscal incentives to sustainable businesses.

Apparel and Technical Textiles has been identified by Government of Odisha as one of its Focus Sectors in IPR-2015. Being one of India's leading Handloom and Handicraft producing states, Odisha now aims to harness its potential to develop a strong Textile sector including Apparel and Technical Textiles. The state's vision is to create an investor-friendly industrial environment with easy access to raw material and manpower with the long-term goal of boosting employment opportunities. This would augment per capita income in the state.

In view of this, the Handlooms, Textiles and Handicrafts Department, Government of Odisha has formulated the Odisha Apparel and Technical Textiles Policy 2022. This is a natural outcome of the pro-poor and pro-industry outlook of the Government, which was first manifested in Odisha Apparel Policy-2016. Buoyed by the success of Odisha Apparel Policy-2016 and learning from the experience gained from its implementation, the current policy has been formulated.

The focus of the Odisha Apparel and Technical Textiles Policy 2022 is to encourage the following:

- ▶ Garment, Apparel, Made ups.
- ▶ Technical Textiles: - Agrotech, Clothtech, Hometech, Meditech, Sportech, Packtech, Buildtech, Geotech, Indutech, Mobiltech, Protech, Oekotech and support activities.
- ▶ Support activities :-
 - (i) Ginning, Spinning, Weaving, Dyeing and Processing of Textiles
 - (ii) Wearables and Accessories linked to Apparel & Technical Textiles

2. OPPORTUNITIES

- ▶ The State of Odisha witnessed robust growth with introduction of IPR-2015. Various sectoral policies including Apparel Policy-2016 and resulted a growth of (10.1%) Gross State Domestic Product (GSDP) and (16.8%) State Per Capita Income (SPCI) compared to the last Financial Year. There has been an upward trend since last decade. The GSDP estimate of the State indicates that industry contribution to the total production is increasing substantially. Especially, mineral based industries and sectors like apparel, textiles, handlooms and handicrafts have visibly boosted the economy by creating employment in local clusters. This has also led to a reduction in the number of skilled workers migrating from the State seeking jobs in these sectors.
- ▶ The Textiles and Apparel industry is one of the largest sectors employing 65 - 70% women labour-force around the world. India is the second largest producer of textiles in the world. Textile sector is arguably the second most important economic activity in terms of employment generation after agriculture.
- ▶ Odisha is a state blessed with a large pool of skilled manpower with significant population in the productive age group. There is significant potential for skill upgradation and scale up as per the need of the industry.
- ▶ The Textile sector is a highly diverse and multi fibre-based industry. The basic requirement for the textiles and clothing industry is fibre, which is natural (Bamboo, Jute, Coir, Sisal, Hemp, Flax, Cotton, Silk, Wool, etc.) or man-made (Polyester, Nylon, Acrylic, etc.). Further, the textile production value chain includes ginning, carding, drawing, spinning, weaving, dyeing and processing. The fabric so produced may further undergo garmenting to produce fashionable wearables. The fabric may also undergo intricate processes for production of technical textiles.
- ▶ Odisha is now a vibrant industrial economy with abundant availability of skilled manpower, excellent roads, rail and port connectivity coupled with a progressive and responsive administration. The state has embarked on a mission to leverage technology to complement the governance framework. Odisha is committed to simplifying processes and procedures to expedite project approvals and clearances. Odisha is a pioneer in implementing the

ease of doing business framework through a robust single window clearance mechanism.

- ▶ Over the years, Odisha has emerged as a destination of choice for investors in the Textile sector. It is worth mentioning that the state of Odisha produces 5 – 6 lakh bales of high-quality cotton (30 mm staple length), annually. While the Minerals and Metal sector has seen tremendous growth in the state over the last 7 decades, the textile sector has recorded a steady and consistent growth in the state. From the famed handloom weavers in Western Odisha to the extremely skillful artists and artisans in South Odisha, textiles and handloom has always had a strong base in Odisha. It is a prominent centre of traditional textiles and provides beautiful intricate hand-woven textiles with the famous IKAT technique to the world. Odisha has a very high popularity index for its traditional and skilled hand woven Ikat and Tassar fabrics. It is estimated that, the size of the textiles and handloom industry in the state is about INR 600 crore providing employment to about 2 lakh persons both in organized as well as unorganized sectors of manufacture. The southern part of the state produces high quality cotton whereas the tribal pockets of Odisha are known for rearing of silkworms and production of tassar silk. Hence, the raw material base for the textile industry, particularly for cotton textiles and silk - based industries, is huge and readily available in the State.
- ▶ The employment in India's technical textiles industry is projected at 14.78 lakh persons by 2024-25.
- ▶ In this perspective, Government of Odisha has provided certain incentives for the development of textiles industry in Odisha such as Industrial Policy Resolution 2015 (IPR-2015), Odisha Apparel Policy-2016 (OAP-2016) and Odisha Handloom Policy-2016. These policies further add to the Ease of Doing Business in the State. The state's efficient logistics infrastructure includes 1,25,000 acres of ready-to-use industrial land, around 10,000 km long highway network, 2600 km railway network and 126 industrial estates.

3. OBJECTIVES

- a. Augment and support the growth of Apparel and Technical Textile sector in the state and creation of significant direct employment in the sector by developing manufacturing, and trade of textiles as a major thrust area.
- b. Facilitate establishment of new apparel industries and enable the expansion of the existing units especially the Readymade Garment Units (RMG) in the state.
- c. Strengthen the production and value chain in Technical Textiles, Wearables, provide ancillary and backend support to these industries and units.
- d. Facilitate trade and export of Technical Textiles and Apparels.
- e. Promote women's empowerment and attract Skilled/Semiskilled/Unskilled workforce to the sector, and creation of rural non-farm employment.
- f. Leverage the development of skills in the state, thus generating employment and entrepreneurial opportunities.
- g. Enhance the share of textiles exports from the State.
- h. Support the industry to build world-class state-of-the-art technology in conformity with the environmental and social standards

APPAREL

4. APPAREL

The Odisha textile and apparel industry are highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, cotton, and silk products. The organized apparel industry in Odisha is characterised by technology supported labour intensive eco-system.

The following categories of industries are eligible to avail the benefits under the policy:

Sector	Specified Products
Apparel	Garment, Made-up and Wearable or non-wearable stitched fabrics of which at least two sides of the fabrics are stitched using sewing machinery.
Support Activities	Ginning, Spinning, Weaving, Dyeing and Processing of Textiles, Wearables including innerwear, buttons, cuff links, wallets, belts, footwear, bags, sportswear etc.

5. ELIGIBILITY CRITERIA

The benefits under this policy shall be applicable to the industries operating in the above -mentioned sector with the following criteria:

- Only new companies and additional units of existing companies established in the state will be eligible to avail the benefits under the policy. The date of commencement of commercial production should be after the notification of this policy.
- Units with employment of minimum 200 workers (unskilled, semi-skilled, skilled) will be eligible to avail benefit under the policy after commencement of commercial production/operation.
- Units employing 90% workers, who are domicile of Odisha will be eligible to avail the benefit under the policy.

6. INCENTIVES AND PROVISIONS

The eligible units will be considered for the incentives and provisions as detailed below:

Sl.	Incentive Particulars	Description
a.	Capital Investment Subsidy	<p>For eligible new industrial units, 40% capital investment subsidy on actual investment made in Plant & Machinery (excluding the cost of land and building) up to maximum of INR 50 Crores, will be disbursed in a phased manner, over a period of 5 years from the date of commencement of commercial production.</p> <p>The subsidy will be disbursed annually, and the investor can claim 8% of the overall eligible investment made till date on an annual basis.</p> <p>The subsidy is applicable to the eligible investments made up to the first 6 years from the date of first capital investment made by the industrial unit.</p> <p>The date of commencement of commercial production should not be later than 3 years from the date of first capital investment made by the industrial unit.</p>
b.	Employment Cost Subsidy	<p>New Industrial Unit shall be eligible for receiving an incentive of INR 6000 per female worker per month and INR 5000 per male worker per month on actual employment by the Unit, for a period of five years (60 months) from the date of commencement of commercial production subject to the condition that such payment by the unit to its worker shall be Aadhar linked.</p>
c.	Market Development Initiative (MDI)	<p>Reimbursement would be provided at 50% of the actual cost incurred for participating in domestic and international exhibitions/trade events as given below. Companies can avail it for 2 times for each category during the policy period.</p> <ul style="list-style-type: none"> For Domestic level events- capped at Rs. 3 lakhs per unit. For International events outside India-capped at Rs. 6 lakhs per unit.
d.	Environment-friendly infrastructure incentives	<p>Benefit as per the extant Industrial Policy Resolution (IPR)</p>

Sl.	Incentive Particulars	Description
e.	Power Tariff Reimbursement	Benefit as per the extant Industrial Policy Resolution (IPR)
f.	Interest Subsidy	Benefit as per the extant Industrial Policy Resolution (IPR)
g.	State Goods and Service Tax (SGST) Reimbursement.	Benefit as per the extant Industrial Policy Resolution (IPR)
h.	R & D Subsidy	Benefit as per the extant Industrial Policy Resolution (IPR)
i.	Land	Benefit as per the extant Industrial Policy Resolution (IPR)
j.	Stamp Duty	Benefit as per the extant Industrial Policy Resolution (IPR)
k.	Intellectual property Rights (IPR) Interest Subsidy	Benefit as per the extant Industrial Policy Resolution (IPR)
l.	Export Promotion	Benefit as per the extant Industrial Policy Resolution (IPR)

TECHNICAL TEXTILES

7. TECHNICAL TEXTILES

Technical textiles are different from conventional textiles. Unlike conventional textiles used traditionally for clothing or furnishing, technical textiles are used basically on account of their specific physical and functional properties and mostly by other user industries. Depending on the product characteristics, functional requirements, and end-use applications the highly diversified range of technical textile products has been grouped into 12 categories.

Indian market of Technical Textiles is projected to be INR 1.81 lakh crore in FY 2023-24, as against the Global Market of about USD 256 Billion (INR 18 lakh crore) in 2019 when the Indian market was INR 1.33 lakh crore. But our average growth rate is 12%, which is higher than the global growth rate of only 4%. The top four global exporters of Technical Textiles were the USA (23%), W. Europe (22%), China (13%), and Japan (7%), while India exported (in FY 2019-20) about INR 14,265 crore.

This has the potential to grow exponentially if the appropriate strategy and eco system are provided.

The following categories of industries are eligible to avail of the benefits under the Textiles Policy:

Sector	Specified Products
Technical Textiles & Support Activities	Buildtech, Geotech, Indutech, Mobiltech, Protech, Oekotech, Agrotech, Clothtech, Hometech, Meditech, Sportech, Packtech
Wearables & Accessories	Linked to Technical Textiles.

Note: Details of the products mentioned in **Annexure – I**

8. ELIGIBILITY CRITERIA

The benefits under this policy shall be applicable to the industries operating in the above-mentioned sector with the following criteria:

- a. Units that will commence commercial production/ operations post the date of notification of this policy will be eligible for availing of incentives under this policy.
- b. Units with the employment of a minimum of 200 workers (unskilled, semi-skilled, skilled) will be eligible to avail of benefits under the policy after the commencement of commercial production/ operation.
- c. Units employing not less than 90% domicile workers of Odisha, will be eligible to avail of the benefit under the policy.

9. INCENTIVES AND PROVISIONS

The eligible units will be considered for the incentives and provisions as detailed below:

Sl.	Incentive Particulars	Description
a.	Capital Investment Subsidy	<p>For eligible new industrial units, a 40% capital investment subsidy on actual investment made in Plant & Machinery (excluding the cost of land and building) up to a maximum of INR 50 Crores, will be disbursed in a phased manner, over a period of 5 years from the date of commencement of commercial production.</p> <p>The subsidy will be disbursed annually, and the investor can claim 8% of the overall eligible investment made till date on an annual basis.</p> <p>The subsidy is applicable to the eligible investments made up to the first 6 years from the date of the first capital investment made by the industrial unit.</p> <p>The date of commencement of commercial production should not be later than 3 years from the date of the first capital investment made by the industrial unit.</p>
b.	Employment Cost Subsidy	<p>New Industrial Unit shall be eligible for receiving an incentive of INR 6000 per female worker per month and INR 5000 per male worker per month on actual employment by the Unit, for a period of five years (60 months) from the date of commencement of commercial production subject to the condition that such payment by the unit to its worker shall be Aadhar linked.</p>
c.	Market Development Initiative (MDI)	<p>Reimbursement would be provided at 50% of the actual cost incurred for participating in domestic and international exhibitions/trade events as given below. Companies/ can avail it of 2 times for each category during the policy period.</p> <ul style="list-style-type: none"> For Domestic level events- capped at Rs. 3 lakhs per unit. For International events outside India-capped at Rs. 6 lakhs per unit.
d.	Environment-friendly infrastructure incentives	<p>Benefit as per the extant Industrial Policy Resolution (IPR)</p>

Sl.	Incentive Particulars	Description
e.	PowerTariff Reimbursement	Benefit as per the extant Industrial Policy Resolution (IPR)
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g.	State Goods and Service Tax (SGST) Reimbursement.	Benefit as per the extant Industrial Policy Resolution (IPR)
h.	R & D Subsidy	Benefit as per the extant Industrial Policy Resolution (IPR)
i.	Land	Benefit as per the extant Industrial Policy Resolution (IPR)
j.	Stamp Duty	Benefit as per the extant Industrial Policy Resolution (IPR)
k.	Intellectual property Rights (IPR) Interest Subsidy	Benefit as per the extant Industrial Policy Resolution (IPR)

10. MISCELLANEOUS

- a. The policy shall remain in force until substituted by another policy. The State Government may, at any time, amend any provision of this policy.
- b. The Odisha Apparel and Technical Textiles Policy- 2022 may be read in conjunction with the extant Odisha Industrial Policy Resolution. Industrial units may avail of any incentives from the extant Industrial Policy if the same is not being provided under this Policy.
- c. In case an incentive is being provided under both the extant Industrial Policy and Odisha Apparel and Technical Textiles Policy 2022, the investor has the flexibility to avail of the one they deem fit. The investor may claim any incentive provided by the Government of India over and above the incentives being provided by the Government of Odisha (under the extant IPR and Odisha Apparel and Technical Textiles Policy 2022).
- d. Implementation of various provisions covering the incentives, concessions, etc., will be subject to the issue of detailed operational guidelines/ statutory notifications, in this respect by the Department of Handlooms, Textiles, and Handicrafts, Government of Odisha.
- e. An industrial unit that considers itself eligible for any incentives shall apply in accordance with the operational guidelines and the same shall be considered and disposed of on merit by the competent authority.
- f. The date of commencement of commercial production for availing the incentives shall be determined by the competent authority for large industrial units based on evidence provided by the industry and verification thereof.
- g. Any change in the sector and specified products will be notified in the future by the Government of Odisha.
- h. Doubts relating to the interpretation of any term and/ or dispute relating to the operation of any provision under this policy shall be referred to the concerned Administrative Department, Government of Odisha for clarification/ resolution and the decision of the Government in this regard shall be final and binding on all concerned.

11. ANNEXURE - I

1. Agrotech-

All the textile goods intended for use in agrarian production encompassing agriculture, horticulture, animal husbandry, and forestry. Its main functions are covering, protecting, supporting, and packaging.

2. Clothtech-

It is a segment of technical textiles that includes all textile components used primarily in clothing and footwear. Clothtech encompasses the functional parts that may not be visible, such as zippers, labels, sewing threads, elastics, insulating fibre fills, waddings, shoelaces, drawcords velcro, and interlining cloths, etc.

3. Hometech-

The textiles used for home furnishing. It consists of a various range of functional as well as decorative products used mainly for decorating our houses. The fabrics used for home textiles consist of both natural and man-made fibres.

4. Meditech-

It encompasses a wide range of soft goods used for medical and hygiene applications, including those for surgical, orthopedic, and dental uses.

5. Sportech-

Deals with the textile materials used for sports and leisure purposes. The sportswear that is used in various sports like jerseys, trousers, shorts, caps, footwear, etc., and some sports accessories is used is known as sports textiles.

6. Packtech-

To ensure scratch-free and safe handling of sensitive articles Textile partitioned boxes/packages used in various industries for transportation and handling of sensitive components like lamp assemblies, fenders, etc.

7. Buildtech-

It includes textiles used for construction purposes and is generally made up of kevlar, nomex, carbon fibres, etc. It is used in membrane construction, lightweight and solid structures, earthworks, hydraulic engineering, and road construction.

8. Geotech-

Geotextile is a synthetic permeable textile material used to improve soil characteristics. It has the ability to separate, filter, reinforce, protect and drain when used in association with soils. It is used in dams and waste site construction among others.

9. Indutech-

The materials used in industrial textiles include nylon, polyester, etc. and are used for purposes of conveying, filtration, etc.

10. Mobiltech-

It includes textiles used in automobiles, shipping, aeroplanes, etc., and is generally made up of polyester, nylon, etc.

11. Protech-

It includes protective gear used by professionals like firefighters, medical professionals, police, defense personnel, etc. The materials used in Protech include Kevlar, Nomex, etc.

12. Oekotech-

It includes clothing made out of eco-friendly materials like organic cotton, hemp, bamboo, ahimsa silk, lotus silk, banana fibre and any other vegetable fibre etc. It also includes geosynthetic products used in landscaping for ponds and golf courses, mine rehabilitation, tunnel lining, etc.



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