



AN INITIATIVE BY WAZIR ADVISORS

Wazir **A**pparel **S**Tartup and **R**e-engineering **A**ssistance



Comparison Of Incentives Offered By Various State Governments For Apparel Investment



Summary

States	Andhra Pradesh*	Gujarat	Jharkhand	Madhya Pradesh	Maharashtra	Odisha	Telangana	Uttar Pradesh
Operative Period	2018-2023	2017-2022	2016-2021	2018-2022	2018-2023	2015-2020	2017-2022	2017-2022
Capital Subsidy	✓		✓	✓	✓	✓	✓	✓
Interest Subsidy	✓	✓	✓	✓		✓	✓	✓
Power Subsidy	✓	✓	✓	✓	✓	✓	✓	✓
Employment Cost Subsidy	✓	✓	✓	✓		✓		✓
Skill development subsidy	✓	✓	✓	✓		✓	✓	✓
EPF/ESI Re-imburement			✓			✓		✓
VAT/ Entry Tax Reimbursement	✓		✓			✓	✓	✓
Environment/ Compliance Related Schemes	✓			✓		✓		
Stamp Duty Reimbursement			✓	✓		✓	✓	✓
Infrastructure support	✓	✓		✓				✓

Disclaimer: The policy mapping was last updated in May 2019. Investors are requested to check for any further updates from official websites. This policy document aims to capture the major incentives for textiles and apparel units (excluding parks, etc.). Investors are requested to go through the official policy document for understanding the entire scope of the policies. The link to documents are given in the last page.)

Brief Overview of Quantum of Assistance

States	Andhra Pradesh*	Gujarat	Jharkhand	Madhya Pradesh	Maharashtra	Odisha	Telangana	Uttar Pradesh
Overall Cap	100% of FCI			200% of plant and machinery (P&M)				120% for MSME Textile units 80%-300% for mega and super mega units***
Capital Subsidy	20% of FCI* up to Rs. 15 crores (Up to Rs. 30 crores for mega projects) 10% of FCI up to Rs. 50 crores for ultra mega projects		20% of FCI** up to Rs. 50 crores	Investment incentive of up to 40% of P&M (subject to certain minimum level of utilization), payable over 7 years with a net cap of Rs. 150 crores Additional incentive of up to 80% of the annual incentive based on exports and employment	40% of P&M Additional incentive for SC/ST, projects in Vidarbha, Marathwada & North Maharashtra, integrated units, products made from non-conventional yarn	10% of investment up to Rs. 50 crores depending on location, investment and employment	25% of investment up to Rs. 1-20 crores depending on investment and employment	25% of P&M up to Rs. 100 crores depending on investment and employment

Brief Overview of Quantum of Assistance

States	Andhra Pradesh*	Gujarat	Jharkhand	Madhya Pradesh	Maharashtra	Odisha	Telangana	Uttar Pradesh
Interest Subsidy	8% for 7 years	5% up to Rs. 7.5 crores/ year for 5 years	50% of interest rate up to 7% for 5 years up to Rs. 1 crore	5% for 7 years for P&M		5% for 5 years, up to Rs 1 crore (for 7 years for units in backward districts)	75% of interest rate up to 8% p.a. for 8 years (includes 2 years of moratorium)	7% for 7 years up to Rs. 1.5 crores/year (up to Rs. 75 lakhs for GB Nagar), 5% for infra development (up to Rs. 1 crore/ unit) and quality development (up to Rs. 1 crore per lab/tool room) for 5 years
Power Subsidy	Rs. 2/unit for 5 years	Rs. 1/unit for 5 years	50% tariff reimbursement and 100% duty exemption for 7 years	Fixed cost of Rs. 5/ unit for 5 years, duty exemption for 7 years	Rs. 2 unit for 5 years	Rs. 0.25-1 per unit depending on location, investment and employment, 100% duty exemption for demand of 5 MVA for 5 years and for units with captive power plants	Rs. 1-2 per unit for 5 years depending on investment and employment	100% duty exemption for 10 years

Brief Overview of Quantum of Assistance

States	Andhra Pradesh*	Gujarat	Jharkhand	Madhya Pradesh	Maharashtra	Odisha	Telangana	Uttar Pradesh
Employment Cost Subsidy	Rs. 1,000/ worker/ month for 5 years (Rs. 2,000-3,750 for mega and ultra mega projects)	Rs. 4,000/ female worker/ month for 5 years (Rs. 3,200 for male workers)	Rs. 5,000/ worker/month for 7 years (Rs. 6,000 for SC/ST/women)	Rs. 5,000/ worker/month for 5 years		Rs. 1,500/ worker/month for 36 months, if 90% are domicile		Rs. 3,200/ person/ month for 5 years for mega & super mega units (except in GB Nagar and Ghaziabad)
Skill development subsidy	50% up to Rs. 7,500 per trainee (Up to Rs. 10,000 for mega and ultra mega projects)	Assistance of 50% for setting training center up to Rs. 20 lakhs per center	Actual cost up to Rs. 13,000 per person	Rs 13,000 for 5 years		Rs. 1,750 to Rs. 4,000 depending on location, investment and employment	Rs. 3,000 worker (Rs. 5,000 for units with employment >1,000)	Difference of actual training cost and central government subsidy up to 25% of project cost
EPF/ESI Re-imburement			Rs. 1,000/ worker/ month for 5 years			100% reimbursement for domicile workers for 5 years		50-60% re-imburement of employer's contribution for units not covered under PMRPY for 5 years (2 years for units under PMRPY)

Brief Overview of Quantum of Assistance

States	Andhra Pradesh*	Gujarat	Jharkhand	Madhya Pradesh	Maharashtra	Odisha	Telangana	Uttar Pradesh
VAT/ Entry Tax Reimbursement	In lieu of wage subsidy company can claim 100 % net SGST accrued for a period of 5, 7 or 10 years up to 100% of FCI depending upon project size.		100% of net VAT refund for 7 years, 40% for next 3 years up to 100% of FCI			100% net VAT & entry tax refund for 7 years up to 200% of P&M cost, 100% entry tax reimbursement for P&M and 100% for raw material up to 100% of P&M cost	100% concession of VAT/CST/SGST for a period of 7 years up to 100% FCI	60%- 90% depending on location up to 25% of FCI or actual tax deposited in 10 years
Environment/ Compliance Related Schemes	Capital subsidy of 50% for green measures up to Rs. 20 crores (Up to Rs. 30 -50 crores for mega and ultra mega projects)			50% of cost in setting-up waste management system, pollution control device etc. up to Rs. 25 lakhs		20% up to Rs. 20 lakhs for ETP for MSME units		

Brief Overview of Quantum of Assistance

States	Andhra Pradesh*	Gujarat	Jharkhand	Madhya Pradesh	Maharashtra	Odisha	Telangana	Uttar Pradesh
Stamp Duty Reimbursement			100% reimbursement	100% reimbursement in govt. industrial area.		100% exemption	100% exemption	100% exemption for units (75% for GB nagar) & 100% exemption for land for infrastructural facilities
Infrastructure support	50% reimbursement of the land cost up to 5% of FCI for units established in government industrial zone 25% subsidy of cost of external infrastructure for units not Industrial Parks/ Textile Parks up to Rs. 1 Crore (Up to Rs. 3-5 crores for mega and ultra mega projects)	GIDC will develop readymade sheds and provide them on long term lease/ rental basis, GIDC will be provided with 50% assistance by state govt.		50% exemption for land development fee for leased land in industrial areas developed by state				50% of land cost up to 5% of total project cost (30% of land cost in GB Nagar district)

*Fixed Capital Investment (FCI) includes cost of technical civil works including factory sheds and buildings, plant and machinery, laboratories for research and quality testing, laboratory equipment, utilities for power, fuel and water supply and other miscellaneous fixed assets.

**Fixed Capital Investment (FCI) includes investment in plant and machinery

***Units categorization under the policy

Type of Units	In Bundelkhand & Poorvanchal	In rest of UP
Mega Units	<ul style="list-style-type: none"> Investment: Rs. 50 to 75 cr. Or Employment: Minimum 500 (Minimum 1,000 for garmenting units) 	<ul style="list-style-type: none"> Investment: Rs. 75 to 125 cr. Or Employment: Minimum 750 (Minimum 1,500 for garmenting units)
Super Mega Units	<ul style="list-style-type: none"> Investment: More than Rs. 75 cr. Or Employment: Minimum 750 (Minimum 1,500 for garmenting units) 	<ul style="list-style-type: none"> Investment: More than Rs. 125 cr. Or Employment: Minimum 1,000 (Minimum 2,000 for garmenting Units)

Links to Apparel Policies

State	Link to policy document
Andhra Pradesh	https://www.apindustries.gov.in/APIndus/Data/GO/GO_for_Textile_and_Apparel_Policy_2018-23.pdf
Gujarat	https://ic.gujarat.gov.in/documents/news/17-10-2017-14-08-23gujarat-garment-apparel-policy-20172-new-17102017.pdf
Jharkhand	http://momentumjharkhand.com/wp-content/uploads/2016/09/Jharkhand-Textiles-Policy-2016.pdf
Madhya Pradesh	http://www.mpindustry.gov.in/upload/files/152131765367.pdf
Maharashtra	https://www.maharashtra.gov.in/Site/Upload/Government%20Resolutions/Marathi/201802171625204302.pdf
Odisha	https://investodisha.gov.in/download/APPAREL-POLICY.pdf
Telangana	http://www.industries.telangana.gov.in/Library/Textile%20policy.pdf
Uttar Pradesh	http://www.udyogbandhu.com/DataFiles/CMS/file/Textile%20policy%202017.pdf



Thank You!

