



सत्यमेव जयते

Government of Rajasthan

Rajasthan Technical Textiles Policy 2021



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1 Preamble

Technical Textiles is a sub-set of the much larger Textiles sector and has started gaining prominence recently with evolving technology providing the means to enhance the functionality of Textile products. With improved functionalities, these products have found applications across end user industries such as defence, railways, automobiles, healthcare, etc. Technical Textiles products are increasingly being used across the globe owing to these advantages. Adoption of Technical Textiles products has been higher for economically developed countries like USA, EU, Japan, South Korea etc, and on the other hand, usage of these products in industrialised countries such as China and India is increasing consistently.

Technical Textiles are functional products with end use applications across multiple non-conventional Textile industries such as healthcare, construction, automobile among others. Technical Textiles products exhibit enhanced performance over traditional Textiles. Technical Textiles products are manufactured using natural as well as man made fibres such as Nomex, Kevlar, Spandex, Twaron etc. These fibres exhibit enhanced functional properties like higher tenacity, excellent insulation, improved thermal resistance etc. Hence, these fibers find application in varied industries and applications.

Technical Textiles market segmentation is done on the basis of material, technology and application.

- Segmentation as per material is categorised into composites and uniform materials.
- Segmentation as per technology is categorised into nonwoven, woven and others including braiding, knitting etc.
- Segmentation as per application is categorised into 12 subsegments as mentioned below.
 1. AgroTech - Shade nets, crop covers, fishing nets, etc.,
 2. BuildTech - Scaffolding nets, awnings, canopies, wall coverings, etc.,
 3. ClothTech - Coated laces, interlinings, zip fasteners, labels, etc.,
 4. GeoTech - Geo-grids, gabions, geo-bags, etc.,
 5. HomeTech - Fibre fill, blinds fabrics, mosquito nets, furniture fabrics, etc.,

6. InduTech - Conveyor belts, bolting cloth, coated abrasives, composites, etc.,
7. MediTech - Diapers, wipes, surgical sutures, hernia mesh, artificial ligaments, etc.,
8. MobilTech - Tyre cord, seat belt webbing, airbag, insulation felts, seat covers, etc.,
9. OekoTech - Geo-membranes, geo-synthetic clay liners, etc.,
10. PackTech - Leno bags, soft luggage, jute hessian and sacks, shopping bags, etc.,
11. Protech -Bullet proof jackets, fire retardant apparel, chemical protective clothing, etc.,
12. Sportech- Sport composites, artificial turfs, parachute fabrics, sleeping bags, etc.,

Technical Textiles global market was estimated at US \$193 billions in the year 2020 and it is expected to reach US \$274 billion by the year 2027 with a CAGR of 5.1% during 2020 - 27. The Asia-Pacific region is poised to grow fastest and is valued at US \$68.8 billion in 2020 and is projected to grow at impressive rate with CGR 5.9% to reach US \$102.6 billion by 2027. This growth is attributed to sectors including healthcare, automotive, construction and industrial development in the region.

Indian Technical Textiles market was valued at US \$14 billion in 2020 and is expected to reach US \$23.3 billion by 2027, growing at a CAGR 7.6% which is among fastest growth rate in Asia-Pacific region. The Technical Textiles market is expected to witness considerable growth in coming year in India, owing to numerous factors such as developing end user sectors, rising awareness, government initiatives, regulations, standardisation, technology upgradation among others.

Central Government's key initiatives in Technical Textiles:

- National Technical Textiles Mission announced to provide a boost to Indian players and enable them to compete with international players in the Technical Textiles sectors and man-made fiber. This is a four-year execution period from 2020-21 to 2023-24 at an estimated outlay of INR1,480 Crores.

- Government of India approved the Production Linked Incentive (PLI) scheme in Textiles sector with focus on MMF segment and Technical Textiles, which will help in attracting large scale investment and augment scale/capacities in the Technical Textiles sector to further boost domestic manufacturing.
- The Government of India has proposed to set up 7 Mega Investment Textiles Parks (MITRA) over the next 2 years to give domestic manufacturers a level-playing field in the international Textiles market and pave the way for India to become a global champion of Textiles exports across all segments, including Technical Textiles.

Some of the factors influencing the growth of the market are:

- 1 Rising demand from new application areas
- 2 Varying consumer preferences
- 3 Useful physical properties of Technical Textiles
- 4 Innovation and R&D
- 5 Government regulations
- 6 Climate change and global warming to 2022

Textiles Industry is one of the key contributors in the economy of Rajasthan. After agriculture, the Textiles sector provides highest employment opportunities in the State. With strong base and potential of Textiles industry, it shall be able to provide large scale employment in the State. Rajasthan provides an extremely high percentage of entrepreneurs with skilled, semi-skilled and unskilled workers to Textile units across the country. Thousands of residents of this State travel to far off places in Maharashtra, Gujarat, Tamil Nadu, West Bengal, and Kerala to contribute to Textiles production and Trading. The State Government is keen to bring business and employment opportunities at the doorsteps and wholesome growth opportunity here itself.

Technical Textiles, a sunrise sector, has become even more relevant during the Covid-19 crisis when the global manufacturing have come to a grinding halt and the ban on export of critical medical equipment including N95 face masks and protective gears, have made imports to India nearly impossible. India was entirely import dependent for PPE kits. From manufacturing 0 PPE kits in March 2020 to 2.5 lakhs PPE kits per day in May 2020, India has become the second largest manufacturer of PPEs after China.

Although Rajasthan is one of the leading states in the production of Pack-Tech products but it is a low-value & low-technology product. The Government of Rajasthan intended to promote manufacturing and exports of other technology-intensive Technical Textiles products such as in Protech, Geotech, Meditech, and Mobi-Tech segments.

Realising the importance of promoting the Technical Textiles sector in Rajasthan, the Department of Industries & Commerce, Government of Rajasthan, has been actively working towards development of Technical Textiles in Rajasthan. The Government has launched several programmes for supporting the sector with creation of manufacturing, testing and research infrastructure, besides providing capital and interest subsidies for setting up Technical Textiles plants under The Rajasthan Investment Promotion Scheme, 2019 (RIPS-2019).

After the disruption due to COVID -19, the Technical Textiles showcased new opportunities for further development in the changing global environment. Therefore, there is a need to formulate dynamic and growth oriented Technical Textiles Policy for Rajasthan.

To promote integrated and sustainable development of Technical Textiles Sector in Rajasthan and provide conducive eco-system with initiatives for competitive, cost effective, technology upgradation support for the development of Technical Textiles Industries in the state.

2 Vision and Objectives

Vision

Promote integrated and sustainable development of Technical Textiles sector in Rajasthan and provide conducive eco-system with initiatives for competitive, cost effective and advance technology.

Objectives

- To facilitate development of ecosystem for Technical Textiles in the state.
- To support establishment of Research and Development Centres, testing laboratories, design centres and skill development centres for the Technical Textiles sector in the state.
- To provide support for state-of-the-art manufacturing capabilities in conformity with environmental standards to Technical Textiles Sector.

- To support sustainable development of Technical Textiles sector in the state
- To provide Research & Development support to Technical Textiles industries through institutes such as IITs, NIFT and NITRA.
- To facilitate the Textiles Industry to attain and sustain a pre-eminent global standing in the manufacturing and exports of Technical Textiles products
- To support the industries for expanding presence in the domestic and international market;
- To utilise up coming major industrial projects of the State such as Rajasthan – Petroleum, Chemicals and Petrochemicals Investment Region (Rajasthan – PCPIR), Delhi Mumbai Industrial Corridor etc. and develop a strong multi-fibre base with thrust of product upgradation and diversification
- To make Information Technology (IT), an integral part of the entire value chain of Textiles production and thereby facilitating the industry to achieve international standards in terms of quality and design

3 Operative Period of the Policy

The policy shall come into effect from the date of its notification in the Official Gazette and shall remain in force until it is amended or superseded by the State Government.

4 Ease of Doing Business

- 3.1. The Government of Rajasthan has taken various initiatives to improve the business environment in the state by continuing to bring in regulatory reforms and simplify procedures of registrations, to enhance development of Technical Textiles Sector in the State. Government shall continue to take new initiatives to improve the services provided to industries for doing business from the State.
- 3.2. The Rajasthan Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act 2019 has been implemented to exempt all inspections for permissions, NOCs, clearances, consents, approvals, registrations, licenses etc. required under any State law in connection with establishment or operation of MSME enterprises for a period of 3 years.
- 3.3. The State Government has established one stop shop facility with IT application 'RAJNIVESH' for all investment related matters such as business information to investor, investor queries, expediting regulatory approvals, facilitating meetings

with relevant Government departments, hand-holding support for matters related to fiscal incentives and investor's feedback.

- 3.4. The State shall set up a dedicated Textiles and Apparel Industry Promotion Cell (TAIPC) under the Department of Industries and Commerce, Government of Rajasthan. This dedicated TAIPC shall have representation from departments including Agriculture, Revenue, RIICO, BIP, Skill Development, PHED, Energy and other related departments. The cell will work for the implementation of Central Government schemes. The TAIPC will also facilitate the development of Technical Textiles industries in the state.
- 3.5. In Textiles and Apparel Clusters, dedicated officer shall be appointed by District Industries & Commerce Centers (DICC) to facilitate Textiles and Apparel (including Technical Textiles) units/associations to avail benefit of central Government schemes (e.g., Production Linked Incentive (PLI) Scheme, Technology Upgradation Fund Scheme (TUFS), Comprehensive Power loom Cluster Development Scheme (CPCDS), etc.). The Officer will co-ordinate with TAIPC and Central Government department to increase utilization of central scheme in the state and to expedite the sanctioning and implementation of the projects.

5 Infrastructure Support for Technical Textiles

- 5.1. The State Government shall explore possibilities of developing a Mega Integrated Textiles and Apparel Park in the state. The proposed park shall accommodate entire value chain of Textiles sector including Technical Textiles. The park shall be developed with common facilities such as Training Centres, R&D Centres, Testing Labs, Common Effluent Treatment Plants etc. The objective of the proposed park shall be to provide cost and quality edge to industries of the state.
- 5.2. To facilitate exports from Textiles & Apparel units and to prevent delays of vehicles carrying export-import cargo, Government shall coordinate with concerned Central Government agencies to identify EXIM Logistic Channels for EXIM cargo which may provide routes for smooth transit.

- 5.3. To ensure the quality raw material supply to the Technical Textiles units, the State Government shall accommodate the Technical Textiles units near the raw material source and promote establishment of suppliers / ancillary units near by the Technical Textiles cluster / industry establishments.
- 5.4. As downstream products of petrochemical sector are majorly used input for Technical Textiles sector, the State Government shall promote establishment of Technical Textiles units within or in the vicinity of proposed Rajasthan Petroleum, Chemical and Petrochemical Investment Region (Rajasthan - PCPIR).
- 5.5. To develop ecosystem for Technical Textiles, the State Government shall collaborate with national / international labs to setup State-of-Art infrastructure with focus on Technical Textiles products. These facilities shall enable the Technical Textiles manufacturers to speed up the process of testing, research and innovation of new products.
- 5.6. The State Government shall encourage establishment of staff-quarters, hostel / dormitory and Plug and Play facilities in the Textiles & Apparel parks as well as in the vicinity of existing Textiles clusters.
- 5.7. The State Government shall encourage the establishment of R&D Centres for the subsegments of Technical Textiles in collaboration with the industry, technical colleges / universities and research organization.

6 Support to achieve Global Competitiveness

- 6.1. Government shall establish Innovation Centres / Centre of Excellence (CoEs) to promote use of advance technologies, R&D and quality production in Technical Textiles Sector. The State Government shall collaborate with national institutes such as Textiles Research Associations (TRAs), Indian Institute of Technology (IITs), National Institute of Technology (NITs), National Institute of Design (NIDs), The Council of Scientific and Industrial Research (CSIR), National Institute of Fashion Technology (NIFT) or any other premier institute working in the area of Technical Textiles. The proposed centres shall be established with support of Ministry of Textiles, Government of India under National Technical Textiles

Mission. Center of Excellence shall facilitate standardization, national / international accreditation, technology acquisition, testing facilities, development of prototypes, skill development and upgradation, R&D facilities, backward and forward linkages, Market development, maintaining resource centres with IT infrastructure etc.

- 6.2. The State Government shall promote standardization of products as per the global markets and form a dedicated cell in collaboration with industry, technical educational and research institutions for providing assistance on parameters for standardization. This shall help in ensuring that the intended functionalities expected from Technical Textiles products are retained and provided to the end user every time the product is used. This shall help the in cumulative branding of the region.
- 6.3. Technical Textiles units shall be encouraged to set up in-factory skilling centres in collaboration with leading Universities, Government Approved / Affiliated/ Recognized Skilling Institutions, and ITIs.
- 6.4. The superior functionality of the Technical Textiles gives its products an edge over traditional Textiles. However, it is necessary to develop market and encourage the adoption for these products. The State Government shall facilitate establishment of demonstration centres at cluster level and also conduct awareness drive across the State.
- 6.5. To transform Rajasthan into a global hub for Technical Textiles, the State Government shall support development of infrastructure, expertise and skill sets for high-value Technical Textiles products. The State Government shall promote manufacturing and exports of technology intensive products under ProTech, GeoTech, MediTech and MobilTech segments. Rajasthan Export Promotion Council shall collaborate with foreign players to facilitate technology transfer and market linkages for industries of this sector.
- 6.6. The state Government shall increase awareness of schemes of Government of India for adoption of cutting-edge technology by MSMEs such as CLCSS (Credit Linked Capital Subsidy Scheme), TEQUP, Lean Manufacturing, QMS and QTT

(Quality Management Standards and Quality Technology Tools) and ZED (Zero Effect Zero Defect).

- 6.7. R&D ecosystem for the Rajasthan's Technical Textiles sector is critical for achieving its true potential. The State Government shall invest in R&D and application-based innovation to guide and handhold industry in developing capabilities in future technologies and enable multi stakeholder collaboration between the academia, industry, and Government. The State Government shall provide substantial grant on the value of capital incurred on the establishment of such laboratories. **The State Government shall support establishment such R&D centres and testing labs in the Technical Textiles sector with a cumulative outlay of INR 10 Crores.**
- 6.8. The State Government shall promote cluster level competitiveness development programmes and techniques such as reducing waste, increasing productivity, introducing innovative practices for improving overall competitiveness, inculcating good management systems, imbibing a culture of continuous improvement etc.

7 Fiscal Incentives for Technical Textiles

- 7.1. To promote private investment in establishment of Technical Textiles units in the state various incentive has been provided by the Government under RIPS-2019.
- i. Investment Subsidy of 75% of State tax due and deposited, for seven years.
 - ii. Employment Generation Subsidy in the form of reimbursement of 50% of employer's contribution towards employees EPF and ESI, for seven years:
Provided that the Employment Generation Subsidy in the form of reimbursement of 75% of employer's contribution towards EPF and ESI shall be granted
 - a) For employees belonging to Women, Schedule Caste (SC), Schedule Tribe (ST), Person with disability (PwD); and
 - b) For all employees if the enterprise is providing more than 75% direct employment to persons domiciled in Rajasthan.

Provided further that the Employment Generation Subsidy shall not be granted for those employees for which employer is receiving reimbursement under any other scheme of Government of India or Government of Rajasthan.

- iii. Exemption from payment of 100% of Electricity Duty for seven years.
 - iv. Exemption from payment of 100% of Land Tax for seven years.
 - v. Exemption from payment of 100% of Stamp Duty:
 - a. On purchase or lease/sub-lease of land and construction or improvement on such land; and
 - b. On purchase or lease of floor area/space in any constructed commercial building for setting up of enterprise in: -
 - i. IT Sector; or
 - ii. Entertainment Sector; or
 - iii. Industry 4.0; or
 - iv. Tourism Sector; and
 - vi. Exemption from payment of 100% of conversion charges payable for change of land use and conversion of land.
- 7.2. In addition to this, below mentioned incentives are also applicable for **Textiles & Apparel Sector and Technical Textiles Sector.**

Textiles and Apparel Sector: Enterprises making an investment equal to or above INR 25 lakhs in the Textiles Sector shall be granted the following benefits:

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- a. Capital Subsidy on zero liquid discharge based effluent treatment plant equivalent to 20% of the amount paid to the suppliers for the plant excluding civil work, subject to a maximum of INR 2 Crores, to enterprises of Textiles & Apparel Sector; and
- b. 5% Interest Subsidy on term loan taken by enterprise from Financial Institutions or State Financial Institutions or Banks recognized by Reserve Bank of India, for making an investment in plant & machinery as specified under the TUF Scheme of Government of India, for a period of five years; or
- c. 6% Interest Subsidy on term loan taken by enterprise from Financial Institutions or State Financial Institutions or Banks recognized by Reserve Bank of India, for making an investment in plant & machinery as specified under the TUF Scheme of Government of India, for a period of five years, for enterprises making investment more than INR 25 Crores; or

- d. 7% Interest Subsidy on term loan taken by enterprise from Financial Institutions or State Financial Institutions or Banks recognized by Reserve Bank of India, for making an investment in plant & machinery as specified under the TUF Scheme of Government of India, for a period of five years, for Apparel Sector and enterprises manufacturing **Technical Textiles**, Khadi & Handloom; or
- e. Capital Subsidy equivalent to 25% of the investment made on the plant & machinery as specified under the TUF Scheme of Government of India, subject to a maximum of INR 50 lakhs;

7.3. In addition to this, below mentioned incentives for **MSME Sector** may also promote development of Textiles and Apparel Sector in the state.

MSME Sector: Enterprises of MSME sector shall, in addition to benefits mentioned in above (i) to (vi) clause, if applicable, be granted the following benefits: -

- a. Water Conservation and Green Measures Subsidy in the form of Reimbursement of
 - i. 50% of cost incurred on water audit by any Government empaneled or Government approved agency subject to maximum of INR 2 lakhs;
 - ii. 50% of amount paid to the suppliers for the plant, excluding civil work, for establishing zero liquid discharge based effluent treatment plant;
 - iii. 50% of amount paid to the suppliers for the plant, excluding civil work, for adopting Green Building Measures for the building having a minimum floor space of 2000 sq mtrs; and
 - iv. 50% of amount paid to the suppliers for the plant, excluding civil work, for establishing "Reuse and Recycling of Industrial Waste Plant", subject to maximum of INR 50 lakhs and shall be one time assistance;

Provided that maximum total amount of subsidy including (i), (ii) and (iii) shall be subject to maximum of INR 50 lakhs and shall be one time assistance;

- a) One-time reimbursement of 50% of cost incurred on obtaining quality certification for manufacturing or processes or certification related to

export, issued by any Government agency or any agency authorized by Government of India or Government of Rajasthan, subject to maximum of INR 25 lakhs;

- b) One-time reimbursement of 50% cost incurred to acquire advanced technology from premier national institutes – Indian Institute of Science (IISc), Indian Institute of Technology (IITs), National Institute of Technology (NITs), National Institute of Design (NIDs), The Council of Scientific and Industrial Research (CSIR) or any other institute set up by Government of India, subject to maximum of INR 10 lakhs;
- c) One-time financial assistance equivalent to the assistance provided by Government of India for obtaining Patents, Geographical Indication (GI) Tagging, and Trademark Registration.
- d) One-time reimbursement of 50% of investment made on plant and machinery and testing equipment's for obtaining Silver or Gold or Diamond or Platinum rating under Zero Defect and Zero Effect Certification Scheme of Government of India, subject to maximum of INR 5 lakhs; and
- e) One-time financial assistance on raising funds (capital) through SME platform, to the extent of 50% of the investment made in process of raising funds (capital), subject to a maximum of INR 5 lakhs;

Apart from the RIPS-2019, State Government provides support under various schemes as mentioned below:

- 7.4. The State Government has also implemented an interest subsidy scheme under Mukhyamantri Laghu Udyog Protsahan Yojana (MLUPY) to facilitate the establishment of MSMEs in the State and to provide new employment opportunities to all sections of the society. This Scheme provides interest subsidy to the tune of 5% - 8% for loans up to INR 10 Crores. The investor can avail Interest Subsidy under either RIPS 2019 or under MLUPY.

7.5. Award for Technical Textiles Sector:

To encourage globally acceptable production ecosystem, Technical Textiles manufacturers shall be awarded through “Technical Textiles Excellence Award” on

achieving first-time export of INR 10 Crores with at least 30% value addition. Under this award scheme, the State Government shall provide reward of INR 10 Lakh to the first 20 units (commencing commercial production after the notification of this policy). This benefit shall not be applicable for PackTech industries.

8 Rajasthan Technical Textiles Policy Monitoring Committee

- 3.1. Rajasthan Technical Textiles Policy Monitoring Committee shall be constituted under the Administrative Secretary - Industries & Commerce, Government of Rajasthan to periodically review (at least once in every quarter) implementation and impact assessment of this policy.
- 3.2. The committee shall be empowered to take all necessary decisions for the smooth implementation of policy such as:
 - a. To monitor progress of all institutions involved in the process
 - b. To assign roles and targets to institutions involved and monitoring of work being performed
 - c. To interpret and/or relax any provision of the Policy
 - d. To frame and/or amend any guidelines or schemes under the Policy
 - e. To review various measures for favorable business environment in the State for Technical Textiles Sector

9 Policy Implementation

The Department of Industries and Commerce shall act as the nodal coordinating, monitoring, and implementing Department. Any matter pertaining to interpretation of any clause of the policy shall be referred to the Department of Industries & Commerce, Government of Rajasthan and the decision of the Department of Industries & Commerce, Government of Rajasthan shall be considered final in this regard.