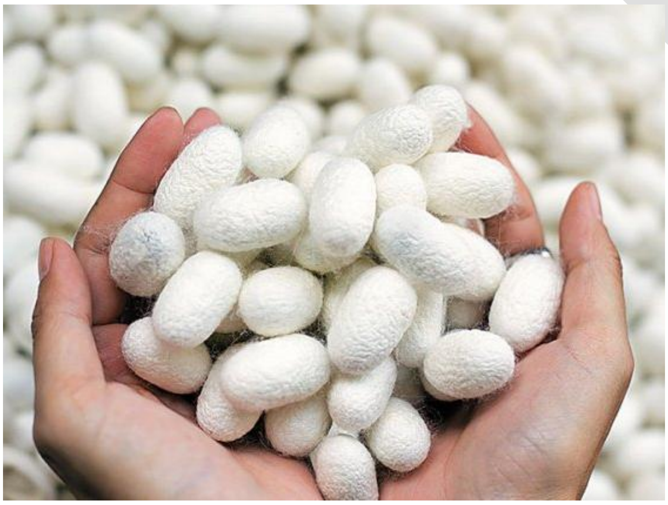
Jharkhand Textile, Apparel & Footwear Policy, 2026 (Draft)



Department of Industries

Government of Jharkhand

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1 Introduction

Jharkhand has made significant progress in advancing sustainable and inclusive industrialisation through a stable, transparent and business-friendly ecosystem supported by progressive policy reforms, infrastructure development and strong institutional frameworks. The State is steadily emerging as an attractive investment destination, supported by improving connectivity, strategic location near key logistics corridors and availability of a sizeable workforce.

Building on this foundation, the Government introduces the **Jharkhand Textile, Apparel and Footwear Policy 2026** to accelerate sectoral growth, attract investments and enhance competitiveness through a focused and future-ready incentive framework. The Textile, Apparel and Footwear sector continues to remain a priority under the State's industrial policy, reflecting its importance in employment generation and economic development.

The State's earlier Textile, Apparel and Footwear Policy (2016–2021) laid the groundwork for sectoral growth, attracting investments of approximately INR 500–1,000 crore and generating **10,000–15,000 direct jobs**, with significant participation of women, thereby supporting inclusive growth and rural livelihoods. These achievements, along with improvements in ease of doing business and industrial infrastructure, provide a strong platform for further expansion.

The new policy aims to leverage Jharkhand's inherent strengths while aligning with key national initiatives such as **PM MITRA Parks, Production Linked Incentive (PLI) Scheme, SAMARTH and the National Technical Textiles Mission**, enabling the State to integrate into global value chains and promote high-value segments such as technical textiles and MMF-based products.

Recognising the labour-intensive nature of the sector, the policy seeks to unlock substantial employment potential, with a target of generating over **20,000 additional jobs** and mobilising investments exceeding **INR 1,000 crore**. It also aims to enhance Jharkhand's contribution to national textile exports by improving competitiveness, quality standards and innovation.

Through this forward-looking approach, Jharkhand aspires to position itself as a **leading Textile, Apparel and Footwear hub in Eastern India**, driving industrial growth, strengthening livelihoods and contributing to inclusive socio-economic transformation.

2 Textile and Apparel Sector in India

India's Textile and Apparel sector has emerged as a key pillar of industrial growth, employment generation and export performance. The sector is currently valued at approximately USD 170–180 billion and is projected to grow significantly in the coming years, driven by strong domestic consumption, favourable policy support and global supply chain realignments.

The industry is one of the largest employers in the country, providing livelihoods to over **45 million people directly and more than 100 million indirectly**, making it the second-largest employment generator after agriculture. It contributes around **2% to national GDP, about 7% to industrial output and 8–12% to total exports**, underscoring its importance to the Indian economy.

India has a strong competitive advantage in textiles due to the availability of raw materials, a large and skilled workforce and a well-integrated value chain spanning fibre to finished products. Cotton continues to dominate the fibre mix, accounting for a significant share of domestic consumption, while segments such as **man-made fibres (MMF), technical textiles and value-added apparel** are witnessing increasing growth. The sector has also attracted steady investments, with cumulative foreign direct investment exceeding USD 5 billion, particularly in high-value and technology-intensive segments.

The growth of the sector is being actively supported through flagship initiatives of the Government of India, including the **PM MITRA Parks Scheme**, **Production Linked Incentive (PLI) Scheme**, **SAMARTH Scheme** and the **National Technical Textiles**

Mission, which are aimed at enhancing scale, productivity, skilling and innovation across the textile value chain.

India is also a major participant in global textile trade, accounting for approximately **3–5% of global exports**. Textile and Apparel exports stood at about **USD 32 billion in FY 2025–26**, with a long-term target of reaching USD 100 billion by 2030. Indian products are exported to over 120 countries, with the United States and the European Union constituting the largest markets, followed by countries in Asia and the Middle East.

The sector's export basket is gradually diversifying beyond traditional cotton-based products toward **MMF-based textiles, technical textiles and high-value apparel**, in line with evolving global demand trends. With continued policy support, infrastructure development and integration into global value chains, India's Textile and Apparel sector is well positioned to strengthen its competitiveness and consolidate its role as a global manufacturing and sourcing hub.

3 Textile and Apparel Sector in Jharkhand

Jharkhand has identified the Textile and Apparel sector as a **Core Sector** under its Industrial and Investment Promotion Policy 2026, recognising its potential for employment generation, value addition and inclusive growth. The State has demonstrated significant progress in **sericulture, handloom and apparel manufacturing**, supported by institutional interventions and cluster-based development. To sustain this momentum, the Government aims to promote modernization, technology upgradation and integration of backward and forward linkages, including design, branding and market access, thereby enhancing the global competitiveness of the sector.

Jharkhand is the **leading producer of Tasar (Tussar) silk in India**, contributing a dominant share to national output. To strengthen the sector, the Jharkhand Silk, Textile and Handicraft Development Corporation (Jharcraft) was established to provide integrated support in design, skilling, entrepreneurship and marketing. Jharcraft has emerged as a recognised brand and currently supports over **2.5 lakh artisans, rearers, spinners, weavers and allied workers**, with established marketing networks across major cities.

The handloom sector has also witnessed steady revival and diversification. The State supports a network of **over 120 Primary Weavers' Cooperative Societies and more than 30,000 weavers**, producing cotton, wool and silk fabrics across multiple districts. Interventions under cluster development programmes have improved quality and productivity, aided by the establishment of **design, production and marketing units, dyeing facilities and common infrastructure**, particularly in districts such as Deoghar and Godda. These initiatives have enhanced market linkage and value realisation for artisans.

Under the Mega Handloom Cluster scheme, implemented across six districts of Santhal Pargana, infrastructure such as **design studios, printing units, value addition centres and marketing complexes** has been developed, facilitating integration of production with market demand. More than 2,000 handlooms have been supported, along with ongoing skilling and capacity-building efforts to strengthen the ecosystem.

Sericulture remains a cornerstone of Jharkhand's textile economy. The State continues to expand post-cocoon activities through establishment of **Common Facility Centres (CFCs)**, enabling value addition in reeling, spinning and processing. These centres primarily benefit women-led groups, promoting rural livelihoods and entrepreneurship. Jharkhand's Tussar silk is also gaining recognition in international markets, supported by certifications such as organic and sustainable silk standards, enhancing its positioning in premium segments.

Jharkhand's textile exports have shown strong growth, reaching **INR 303 crore in FY 2024–25**, with a significant share contributed by readymade garments, followed by handicrafts and other textile segments. Key export destinations include the USA, Europe and Asia, reflecting growing demand for Jharkhand's products in global markets.

Going forward, the State aims to strengthen the textile value chain through cluster-based development, skilling initiatives, financial convergence with central schemes and targeted investments in emerging segments such as technical textiles. Efforts will continue to promote ecosystem development by organising producers into clusters, enhancing training infrastructure, supporting research and innovation and expanding high-quality, export-oriented production.

4 Changing Landscape of Industry

The global Textile and Apparel industry is undergoing a structural transformation, with manufacturing increasingly shifting towards emerging economies such as Vietnam, Bangladesh, Turkey and Ethiopia. This shift is driven by cost competitiveness, labour availability, policy support and integrated supply chains. India continues to remain a major global player, supported by strong exports and a large employment base, while contributing significantly to economic development and job creation.

At the domestic level, several Indian states, including Maharashtra, Gujarat, Tamil Nadu, Andhra Pradesh and Telangana, have established themselves as leading textile hubs through competitive policy frameworks. These states offer a range of incentives such as capital subsidies, power tariff concessions, wage support and integrated textile infrastructure, thereby intensifying inter-state competition for investments. This evolving competitive environment necessitates that Jharkhand adopts a forward-looking and investor-friendly policy to enhance its attractiveness.

Simultaneously, global demand patterns are evolving, with increasing preference for **sustainable, eco-friendly and natural fibres**. This presents a strategic opportunity for Jharkhand, given its strong base in Tussar (Vanya) silk and traditional textile practices. In addition, global supply chain diversification trends are opening new opportunities for emerging manufacturing regions to integrate into international value chains.

At the State level, the textile and sericulture sector plays a critical role in **livelihood generation for rural and tribal communities**, with significant participation of women and Self-Help Groups (SHGs). The sector also contributes to reducing distress migration by creating local employment opportunities. Jharkhand's textile exports have demonstrated strong growth momentum, indicating the potential for scaling up production and value addition.

In view of these developments, there is a clear need to position Jharkhand as a **competitive, sustainable and inclusive textile manufacturing hub**. Accordingly, this policy seeks to promote investment and industrial growth, generate large-scale employment, strengthen value chain integration, leverage the State's strengths in natural and eco-friendly textiles and reduce migration through enhanced local livelihoods. The policy is aligned with emerging global trends while ensuring inclusive and sustainable economic development within the State.

5 Vision and Objectives

The Government of Jharkhand (GoJ) endeavours to promote and develop a vibrant and competitive Textile, Apparel and Footwear sector in the State, with a focus on generating sustainable employment, particularly for weavers and rural communities and addressing issues of distress migration. The policy seeks to position Jharkhand as a preferred destination for global textile, apparel and footwear investments by fostering a conducive ecosystem for industry growth. It aims to facilitate modernization, enhance productivity and ensure the availability of high-quality textiles at competitive prices to meet both domestic and international demand.

5.1 Vision

a) To establish the textile and garment industry of Jharkhand, as a producer of internationally competitive value-added products thereby maintaining a dominant presence in the growing domestic and international market and contributing to the sustainable employment and economic growth of the State.

b) To reinforce the value chain of the textile industry across the State through capital infusion, technology transfer, skill up-gradation and handholding.

5.2 Objectives

a) To achieve higher and sustainable growth in the entire textile value chain from fibre to finished products, with emphasis on balanced regional development through:

i. Strengthening and enhancing the capacity of all the essential value chain activities such as spinning, weaving (handloom and power loom) including pre-loom activities, knitting, processing, garmenting, technical textiles and other supporting ancillary activities including textile machinery manufacturing.

ii. Promoting well- being of the cooperative sector spinning mills.

iii. Supporting and strengthening the power loom sector to modernize production technologies, enabling the supply of good quality fabrics in the required quantum.

iv. Making Information Technology (IT) an integral part of the entire value chain of textile production and thereby facilitating the industry to achieve international standards in terms of quality, design and marketing.

b) To equip the industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market.

c) To ease controls and regulations so that the different segments of the textile sector are enabled to perform in a greater competitive environment.

d) To facilitate emerging technical textiles in critical areas such as production, technology and research and development. The policy will encourage integrated development in the sector aiming to establish the sustainability of the textile units in the State.

e) To support the industry with skilled human resources.

f) To strengthen the process of bridging the skills gap by providing better institutional linkages, creating a good pool of trainers by conducting Training of Trainers and the Assessment and Certification process to ensure the quality of the training program.

g) To develop infrastructure for making units globally competitive and meet the export compliance through Cluster-based Textile Parks, Mega Projects and CETPs.

6 Capacity Building, Skill Development and Institutional Strengthening

The Government of Jharkhand recognises that the Textile, Apparel and Footwear sector, being highly labour-intensive, requires a strong and well-structured capacity-building framework to enhance productivity, quality and competitiveness. Given the sector's critical role in employment generation, particularly for rural, tribal and women workforce, the policy emphasises comprehensive skill development, institutional strengthening and ecosystem support to enable sustainable socio-economic growth and reduce distress migration.

The State shall focus on developing industry-aligned skill development programmes across the textile value chain, including fibre production, reeling, weaving, processing, garmenting and value addition. Training modules shall be designed in consultation with industry stakeholders to ensure relevance and employability, with special emphasis on tribal community, youth, women led entrepreneurs, vulnerable groups and Self-Help Groups (SHGs). Skill development initiatives shall be implemented through the Jharkhand Skill Development Mission Society (JSDMS) and other recognised public and private institutions, along with efforts to establish at least one cluster-based production or training unit in each district.

To strengthen institutional capacity, the Government shall promote the development of specialised institutions such as the National Institute of Fashion Technology (NIFT), Ranchi and the Jharkhand Institute of Craft and Design (JICD), which will focus on design, technology and professional training for the sector. These institutions shall contribute to creating a skilled workforce and improving the quality of products through innovation and design-led interventions.

The policy also places strong emphasis on strengthening existing state institutions such as Directorate of Handloom, Sericulture and Handicraft, JHARCRAFT and the Khadi and Village

Industries Board, which play a critical role in supporting more than 2.5 lakh artisans through training, raw material support, design development and market linkages. These institutions shall continue to act as key facilitators for value chain development, branding and promotion of traditional crafts, while also supporting supply of textile products for Government welfare programmes.

Recognising the importance of raw material availability in sericulture, the State shall strengthen the seed sector through capacity building of farmers, adoption of improved rearing techniques, expansion of mulberry and Tussar cultivation and convergence with agencies such as the Central Silk Board. Efforts shall also be made to support research, innovation and conservation of traditional silk varieties.

To promote entrepreneurship and innovation, the Government shall establish incubation centres in textile parks and educational institutions, providing integrated support to start-ups in apparel and textile manufacturing. These centres shall facilitate skill development, market linkages and business support, enabling entrepreneurs to establish sustainable ventures.

Further, a Centre of Excellence (CoE) for Textiles and Technical Textiles shall be established to promote advanced research, testing, product development and technology adoption. The Centre will support activities such as R&D, design innovation, testing and certification and industry consultancy, thereby enhancing the State's competitiveness in emerging segments including technical textiles.

In addition, Entrepreneurship Development Programmes (EDPs) shall be promoted through educational institutions to build managerial and business capabilities among small and medium enterprises, fostering a new generation of entrepreneurs in the textile sector.

Overall, the capacity-building framework aims to create a skilled, industry-ready workforce and a robust institutional ecosystem, enabling Jharkhand to fully leverage its potential in the Textile, Apparel and Footwear sector while ensuring inclusive, sustainable and employment-driven growth.

7 Strategy for Sector Development

The Government of Jharkhand recognises that achieving sustainable growth in the textile, apparel and footwear sector requires a strategic approach focused on **infrastructure development, product diversification, technological advancement and market competitiveness**. Accordingly, the State aims to develop an integrated ecosystem that promotes investment, strengthens value chains and leverages its unique strengths in traditional and emerging segments.

7.1 Cluster-Based Development

The State shall adopt a cluster-based development model to improve efficiency, reduce costs and enhance competitiveness. Textile clusters shall be supported with common infrastructure, access to modern technology and shared services including testing, design and marketing. Existing industrial areas shall be upgraded under a brownfield approach with both **physical infrastructure (such as CETPs)** and **soft support (skill development, branding and capacity building)**.

7.2 Product Diversification and Strategic Focus Segments

In line with evolving market demand and the need to address gaps in the State's manufacturing ecosystem, the policy shall promote targeted development of priority product segments.

Special emphasis shall be placed on:

- **Non-leather footwear manufacturing**, given its high employment potential and growing domestic and export demand
- **Medical and technical textiles**, considering their strategic importance in healthcare and industrial applications

- **Products currently underrepresented or not manufactured in Jharkhand**, to diversify the industrial base and reduce import dependence

These segments shall be supported through **additional incentives under CPIS**, targeted infrastructure support and facilitation of investment, with the objective of creating new industrial capacities and strengthening value chain integration.

7.3 Promotion of Sustainable and Eco-Friendly Textiles

The policy shall promote environmentally sustainable manufacturing practices in response to increasing global demand for eco-friendly products. Industries will be encouraged to adopt clean technologies, use non-toxic materials and comply with international environmental standards. Support shall be extended for certification, eco-labelling and adoption of sustainable production processes.

7.4 Focus on Technical Textiles

Recognising technical textiles as a high-growth sector, the State shall promote investment in non-woven and specialised textile products which have significant applications in **strategic sectors like healthcare, infrastructure and defence**.

Jharkhand aims to position itself as a competitive hub for **high-value and technology-driven textile manufacturing**, supported by appropriate policy incentives and infrastructure.

7.5 Enabling Business Environment

The Government shall ensure a transparent and investor-friendly business environment through:

- A robust **Single Window Clearance System** for time-bound approvals.
- Dedicated institutional support through the **Single Window Cell.**

These measures aim to improve ease of doing business and enhance investor confidence.

7.6 Balanced Development Across Value Chain

The State shall promote integrated development across all segments of the textile value chain:

a) **Raw Materials:** Efforts shall focus on improving the availability, quality and diversity of fibres, including cotton, man-made fibres, silk and jute, supported by R&D and technology adoption.

b) **Manufacturing and Processing:** Modernisation and expansion shall be encouraged in spinning, weaving, processing and garmenting, with emphasis on technology upgradation, quality improvement and integrated manufacturing.

c) **Traditional and Labour-Intensive Sectors:** Handloom, handicrafts and related sectors shall be strengthened through design support, skill enhancement, market linkages and branding, ensuring preservation of traditional crafts and livelihoods.

d) **Emerging Segments:** Segments such as made-ups, accessories and value-added textile products shall be promoted to increase value addition and employment opportunities.

7.7 Export Promotion and Market Development

The State shall promote export-oriented growth through improved infrastructure, market access and strategic partnerships. Focus shall be given to expanding presence in global markets, particularly for high-value, eco-friendly and niche products.

7.8 Financing, Technology and Digital Adoption

The Government shall facilitate access to finance through public and private participation, including innovative funding mechanisms and venture support. Adoption of **Information Technology (IT)** shall be promoted to enhance efficiency, enable digital trade and strengthen market intelligence systems.

8 Scope and Coverage

The policy shall be applicable to activities as mentioned below:

S.No.	Sectors	Investment Opportunities
1	Fiber Production/ Spinning/ Weaving/ Knitting/ Processing	▪ Cotton/ Jute/ Silk/ Banana/ Bamboo and other natural fiber production ▪ Production of man-made fiber and filament ▪ Polyester ▪ Acrylic ▪ Viscose ▪ Rayon ▪ Yarn Spinning ▪ Power loom and knitting ▪ Dyeing & Printing ▪ Yarn and fabric processing
2	Production of apparel and home textile including hosiery	▪ Woven and knitted apparel manufacturing ▪ Hosiery products manufacturing ▪ Saree ▪ Carpets, mattresses, cushions/pillows, curtains and other home textiles ▪ Narrow woven ▪ Non-Woven ▪ Production of ready-made garments
3	Natural Fibre/ Blending of various type of fibre	Integrated units for processing Banana Fibre/ Jute Fibre/ Bamboo Fibre/ Coconut Fibre etc. and manufacturing of products using Banana Fibre/ Jute Fibre/ Bamboo Fibre/ Coconut Fibre etc.
4	Manufacturing of Technical textile	Production of items under following categories: ▪ Agrotech (agriculture, horticulture and forestry etc.) ▪ Build tech (building and construction etc.) ▪ Cloth tech (technical components of shoes and clothing etc.) ▪ Geotech (geo-textiles and civil engineering etc.) ▪ Home tech (components of furniture, household textiles & floor coverings etc.) ▪ Indu tech (filtration, cleaning and other industrial usage etc.) ▪ Meditech (hygiene and medical etc.) ▪ OEKO-TEX (environmental protection etc.) ▪ Pack tech (packaging etc.) ▪ Protech (personal and property protection etc.) ▪ Sporttech (sport and leisure etc.) ▪ Defence tech (Related to defence) Any other products as notified by Ministry of Textiles, Govt. of India from time to time
5	Post Processing of Handlooms and Khadi Textile Products	Post-production facilities using handloom and khadi cloth
6	Business Development Services	R&D facilities, design studios/ facilities for prototyping, quality testing, labs, etc. for textile units

7	Wool processing	▪ Scouring ▪ Combing ▪ Spinning ▪ Weaving ▪ Milling
8	Manufacturing of Bags and Accessories in Textile	Manufacturing of Bags and accessories and supplying to textile firms (Zip, Button, Threads etc.)
9	Non-leather footwear	Manufacturing of Non-leather footwear (sports, casual, athleisure)

9 Incentives, Exemptions and Concessions offered by the Government of Jharkhand

In addition to the incentives provided by the Government of India, the units shall also be eligible for the following State incentives offered by the Government of Jharkhand. All incentives under this policy shall be subject to due verification and approval by the competent authority of Government of Jharkhand.

9.1 Comprehensive Project Investment Subsidy (CPIS)

The Comprehensive Project Investment Subsidy (CPIS) shall be provided as **a one-time incentive to eligible units** and shall be disbursed in **two instalments, with 50% released in the first year of operation and the remaining 50% in the third yea**r, subject to compliance with prescribed investment, operational and employment conditions.

The CPIS provided by the State Government shall be in addition to and harmonised with, applicable Government of India schemes, including but not limited to the Production Linked Incentive (PLI) Scheme, PM MITRA Scheme and the National Technical Textiles Mission (NTTM). Units shall be encouraged to leverage both State and Central incentives in a complementary manner to maximise investment efficiency, competitiveness and integration into national and global value chains.

9.1.1 Base Incentive Structure

Eligible units shall be entitled to CPIS on investments made in fixed capital, as per the following:

Category	CPIS Rate	Maximum Cap
Eligible Textile Sector Units	20% of Fixed Capital Investment	INR 50 Crore

SC/ST/Women/Differently abled entrepreneurs shall be eligible for an additional 5% benefit under CPIS.

i. This benefit shall be applicable only to residents of Jharkhand.

ii. It will apply to a unit only if such entrepreneurs hold more than 50% ownership stake in the company/ organization in case of a private limited company or a limited liability partnership, or in the case of a proprietorship firm, where the proprietor belongs to the SC/ST/Women/Differently abled category.

iii. For the purpose of this clause, those persons will be eligible for benefit under SC/ST category that are issued caste/ residential certificate to this effect by competent authority as notified by Government of Jharkhand. Similarly, those persons will be deemed to be of differently abled category that are certified by a competent Medical Board to have Differently abled of more than 40%.

9.1.2 Product-Based Additional CPIS (Strategic Focus Segments)

To promote diversification, high-value manufacturing and import substitution, additional CPIS shall be provided for the following priority segments:

<table>
<tr><th>Segment</th><th>Product Categories</th><th>Additional CPIS (%)</th></tr>
<tr><td>Footwear</td><td>Leather and Non-leather footwear (sports, casual, athleisure)</td><td rowspan="2">+5%</td></tr>
<tr><td>Technical Textiles</td><td>Textile product manufactured for non - aesthetic purposes, where function is the primary criterion.

Technical Textile as per Policy Circular No. 42 (RE-2010)/ 2009-14, Dated: 21 October 2011, issued by Directorate General of Foreign Trade , Department of Commerce, Ministry of Commerce & Industry.

Agrotech, Meditech, Buildtech, Mobiltech Clothtech, Oekotech, Geotech Packtech, Hometech, Protech, Indutech, Sportstech and any other products as notified by Ministry of Textiles, Government of India from time to time</td></tr>
</table>

These segments shall be prioritised for investment promotion considering their **high employment potential, export orientation and strategic relevance**. This is indicative priority segments and can be decided on a case-to-case basis.

9.1.3 Location-Based Additional CPIS (Zonal Incentive)

To ensure balanced regional development, units shall be eligible for additional CPIS based on location:

Zone	Districts	Additional CPIS (%)
Zone 1	Ranchi, East Singhbhum (Jamshedpur), Dhanbad, Bokaro, Ramgarh,	No additional benefit
Zone 2	Hazaribagh, Giridih, Koderma, Saraikela Kharsawan, Deoghar, Khunti	+3%
Zone 3	East Singhbhum (except Jamshedpur), Chatra, Dumka, Godda, Jamtara, Pakur, Sahibganj, Simdega, Gumla, Lohardaga, Latehar, Palamu, West Singhbhum, Garhwa,	+5%

9.1.4 Expansion and Diversification Incentive

Existing industrial units undertaking expansion, diversification, or modernisation shall be eligible for CPIS on incremental fixed capital investment, subject to prescribed conditions. Additional incentives may be granted where:

- The existing unit continue their operations for **a minimum period of three years** and
- The expansion results in additional capacity, investment and employment generation.

Units setting up new facilities in a **different zone** within the State shall be eligible for additional 5% CPIS support.

9.1.5 Early Bird Subsidy

For Large/ Mega/ Ultra Mega units established within a period of two years from the Date of Notification of this policy, an additional 5% Capital Subsidy shall be provided in addition to the other incentives mentioned in this policy.

9.1.6 Overall Cap on CPIS

The total additional CPIS (product + zoning + other incentives) shall be **capped at 15% over and above the base CPIS rate,** Accordingly, maximum effective CPIS shall not exceed:

Category	Overall Capping on CPIS Rate	Maximum Cap
Eligible Textile Sector Units	35% of Fixed Capital Investment	INR 50 Crore

Higher support may be considered on a **case-to-case basis for Mega/ Anchor projects** in strategic segments, subject to approval by the State Cabinet / High Powered Committee (HPC).

9.2 Interest Subsidy

a) New units shall be entitled to interest subsidy for timely payment **@7% per annum or 50% of the interest rate on total loan availed** from public financial institutions/ Banks for a **period of five years** from the Date of Commercial Production (DoP) subject to total maximum limit of **INR 3 Crores**.

b) Units which are classified as Non-performing Asset (NPA) at the time of making the application will not be eligible to avail such incentive.

c) In addition to the interest subsidy, the guarantee fee charged under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme to Micro and Small Enterprises (MSEs) will be reimbursed to the enterprises to improve the CGTMSE coverage for collateral-free loans in the state.

d) Additionally, an **interest subsidy @ 2% per annum** shall be provided in the form of reimbursement on **packing credit / pre-shipment rupee export credit** availed by MSMEs.

9.3 Stamp duty and Registration fee

100% reimbursement of Stamp duty and Registration fee for land directly purchased from the Raiyats / acquired through consent award (lessee of JIADA / Industrial Parks will not be eligible for this benefits). This facility will be granted only for the first transaction for a particular plot of land.

9.4 SGST Incentives

100% reimbursement of State Net SGST for **7 years** and **40%** for the **next 3 years**; **Maximum of 200%** of total fixed capital investment made.

(Textile, Apparel & Footwear units shall be reimbursed for Net SGST paid by debiting the Electronic cash ledger against the intra-state supply of goods and services by the said Textile, Apparel & Footwear unit after exhausting all the input tax credit available in the credit ledger and after deducting refund amount claimed if any.

Actual realization in the state treasury means the goods or services supplied by the Textile, Apparel & Footwear unit and finally consumed within the State and SGST paid thereof realized in the state treasury.)

9.5 Quality Certification

a) High priority is being accorded by the Government of Jharkhand for the improvement of quality of the industrial units and units shall be provided with assistance for obtaining quality certification from B.I.S. and other internationally recognised institutions **@ 100% of the expenditure incurred up to a maximum of INR 20 lakhs.**

   Units obtaining certification/ accreditation under any of the following internationally recognised/ accepted standards will be eligible for the benefit:

- ISO-9000 Quality Management System
- ISO-14000 Environmental Management System
- ISO-18000 Occupational Health and Safety Standards
- BIS certification
- Social Accountability Standards
- Green Energy Certificate
- Bureau of Energy Efficiency (BEE) Certificate
- LEED Certification in New and Renewable Energy
- ZED Certification
- Internationally accredited eco-labels OKE-TEX 100 etc.
- Any other nationally/ internationally accredited certification that will enable better market positioning.

b) An Enterprise can avail the facility for more than one certification during the policy period **subject to the maximum limit specified under this section**.

c) Incentives for quality certification (ISO-9000, ISO-14000, etc.) are also being given by the Government of India. State Government will promote and facilitate the unit getting such benefits on a priority basis.

9.6 Patent Registration

Units will be encouraged for filing successfully generated, registered and accepted patents based on their original work/ research. The Government of Jharkhand will provide financial assistance of **100% of the expenditure incurred**, up to a **maximum of INR 20 lakhs per patent**.

9.7 Cluster Development

A grant of **15% of the grant** released by the Government of India shall be offered by the Government of Jharkhand to Cluster schemes approved by the Government of India for the State to SPV/ promoter.

Priority shall be accorded to Integrated Textile parks, Technical textile clusters, Footwear and emerging product clusters and Clusters in **Zone 2** and **Zone 3 districts**. The State may also support development of common infrastructure, common facilities, design centres and testing labs within clusters.

9.8 Power Tariff

The state shall provide **reimbursement of 50% of the power tariff for 5 years** from the date of commencement of commercial production (DoP).

9.9 Electricity Duty

The State shall provide reimbursement of **100% electricity duty paid for a period of 5 years** from the date of commencement of commercial production. This reimbursement shall be applicable to all new units as well as units undertaking expansion in the textile, apparel and related sectors.

In addition, units adopting renewable energy sources in accordance with the State's energy policies shall be eligible for an **extended exemption from electricity duty for an additional period of 2 years**, resulting in a total exemption period of up to 7 (seven) years.

9.10 Export Subsidy

As per the provisions in the **Jharkhand Export Policy, 2023** under the Export development assistance section all fiscal and non-fiscal incentives shall be applicable to Textile, Apparel & Footwear sector related units of Jharkhand.

9.11 Assistance for construction of dormitories

Textile/ Apparel manufacturing units shall be provided financial assistance for the purchase of land close to the Apparel/ Textile Park for the construction of dormitories to house the workers at the rate of one acre for every 1,000 workers employed. **The assistance will be limited to 50% cost of land up to a maximum of INR 50 lakhs per unit.** Preference shall be accorded to:

- Units employing 500 or more workers
- Units located in Zone 2 and Zone 3
- Textile Export-oriented units (TEoU) (≥40% exports)

9.12 Skill Development

a) **One-time support of INR 13,000 or actual cost of training per person**, whichever is lower, would be provided for capacity building of Jharkhand domiciled persons (skilled/ semi-skilled) engaged in the sector (any other category notified by the Government) as per notification of Jharkhand Skill Development Mission Society. For availing this incentive, the trained person should remain in continuous employment for at least 2 years.

b) An additional support of **INR 1,000** for SC/ ST/ Women/ Differently abled persons will be provided.

9.13 Employment linked Wage Subsidy

To promote employment generation and ensure participation of local workforce, the State shall provide employment-linked wage subsidy as per the following:

- Minimum employment threshold: MSME Units- 50 workers and Non-MSME Units- 100 workers.
- At least 75% of direct employment shall be of Jharkhand domicile for eligibility under this incentive.

The State shall provide a monthly wage subsidy **for 5 years** engaged in production as per the below categorization.

Category	Base Subsidy (INR / worker / month)
Male	5,000
Female	6,000

I. An **additional benefit of INR 1,000 per month per worker for 5 years** for SC/ ST/ Differently abled workers

II. An **additional benefit of INR 1,000 per month per worker for 5 years** if the Workers are employed **in Zone 3**, would be provided.

Note:

I. A worker must be employed for a minimum of more than or equal to 24 number of days per month for getting a full monthly wage subsidy for that worker.

II. The wage subsidy under this policy shall be disbursed strictly on a pro-rata basis (if Sl.no. I the above point is not fulfilled), corresponding to the actual number of days worked by each eligible worker in a unit during the claim period. Accordingly, the payable subsidy amount shall be computed on a per-day basis and proportionately reduced for any period of absence or partial employment.

Example: No. of days worked: **10 days**

- Base subsidy (male): ₹5,000/month

Subsidy calculation:

- Base daily subsidy = 5000 ÷ 30 = INR 166.67
- Total eligible subsidy = 166.67 × 10 = **INR 1,666.70**

9.14 Social Security Subsidy

The Government of Jharkhand shall reimburse the employer up to **INR 1,000 per person per month** towards expenditure on ESI and EPF for 5 years.

9.15 Mandi Fees Exemption

No mandi tax shall be levied on raw materials used in Textile, Apparel and Footwear units in Jharkhand.

9.16 Land allotment

Land of **up to one acre** shall be provided to textile, apparel, and footwear units under the purview of JIADA, if specifically required, for the establishment of a new unit on a preferential basis by the JIADA.

9.17 Support for Incubation Centers

For setting up incubation centers, financial support of **INR 50 lakhs annually for the first 5 years (a maximum of 10 institutions can be given this grant in the first year)** shall be provided. The procedure and details for availing of this incentive will be as per the prevailing Jharkhand Start-Up Policy. Any private university/ research institution can also apply for this funding, given that they have **operated in Jharkhand for the last 4 years and qualify through the selection process.** A **special incentive of INR 10 lakhs** would be given to the incubator for every successful start-up (start-ups that raise series B funding) they incubate.

9.18 Support for Startups

The Government, with a view to fostering entrepreneurship and promoting industrial development within the State, shall extend financial assistance to eligible startups (defined under this policy) operating in the **Textile, Apparel and Footwear sectors**.

Under this provision, a **grant of up to INR 25 Lakhs (Rupees Twenty Five Lakhs only) per startup** shall be provided, subject to the fulfilment of prescribed eligibility conditions and achievement of specified performance milestones.

The grant will be applicable to only those registered Startup who have already **received Seed stage (validation) funding** from any of the State/ Central Government, Angel investors, Startup accelerators or Seed-stage venture capitalists (VCs). Proof of the same shall be verified by the competent authority as assigned by the Department for the disbursement.

The grant shall be linked to the attainment of either of the following milestones:

a. **Employment Generation:** The startup shall generate employment for a minimum of 25 persons on or before the completion of the second year of its commercial operations.

or

b. **Turnover Achievement:** The startup shall achieve an annual turnover exceeding INR 1,00,00,000 (Rupees One Crore only) in the third year of its commercial operations.

Disbursement of the grant shall be subject to **verification of the above milestones** by the designated authority, in such manner as may be prescribed by the Government from time to time.

9.19 Establishment of new Textile/ Apparel Parks

Industrial parks developed through public sector initiatives, private sector participation and public–private partnerships (PPP) play a critical role in providing integrated infrastructure and ecosystem support for industrial growth. In line with evolving national and state-level strategies, the Government of Jharkhand shall promote the establishment of sector-specific Textile/Apparel Parks as well as integrated industrial and logistics parks to support the textile apparel and footwear sector.

With the objective of providing state-of-the-art, world-class infrastructure, the Government will support the development of Textile/Apparel parks equipped with plug-and-play facilities, common utilities and value-chain infrastructure including processing, testing, design, warehousing and logistics. These parks will be aligned with national initiatives such as PM MITRA (Mega Integrated Textile Region and Apparel) Parks, which focus on creating integrated, large-scale textile manufacturing ecosystems with enhanced competitiveness and global integration.

The development of such parks will facilitate:

- Attraction of domestic and foreign investment.
- Economies of scale and cluster-based development.
- Adoption of advanced technologies and sustainable practices.
- Improved compliance with international environmental and social standards.
- Integration across the textile value chain from fibre to finished products.

Further, the Government shall encourage cluster-based development models, including support for Common Facility Centres (CFCs), skill development infrastructure and linkages with national schemes such as PLI for Textiles, SAMARTH and Silk Samagra, to enhance productivity and competitiveness.

These initiatives are expected to significantly boost employment generation, particularly for women and rural communities, while strengthening Jharkhand's position as an emerging hub for sustainable and value-added textile production.

Note: The Government of Jharkhand reserves the right to take appropriate action, including amendment, modification, or withdrawal of any provisions or incentives, as deemed necessary in public interest.

10 Project Management Agency (PMA) for Implementation and Monitoring of Schemes

The Government of Jharkhand shall appoint a team of professionals under the Directorate of Sericulture, Handloom and Handicraft, with demonstrated expertise in the textile, apparel and footwear sector, as a **Project Management Agency (PMA)** for implementation, coordination and monitoring of schemes under this policy as well as relevant Government of India programmes.

The PMA will be responsible for ensuring **efficient, transparent and time-bound implementation of projects**, with a strong focus on quality, cost-effectiveness and outcomes. The PMA shall report to the Government of Jharkhand, which will directly supervise the implementation of projects.

A. Functions of the PMA

The PMA shall undertake the following functions:

1) Identify suitable locations for setting up Textile/Apparel Parks and units based on scientific assessment of demand, resource availability and infrastructure potential and assist in securing statutory clearances.
2) Facilitate formation of Special Purpose Vehicles (SPVs) for project implementation with participation from industry stakeholders.
3) Structure and prepare Detailed Project Reports (DPRs) and submit projects for appraisal and approval by the competent authority.
4) Assist SPVs and units in achieving financial closure and investment mobilisation.
5) Monitor project implementation and submit periodic progress reports to the Government of Jharkhand.
6) Act as a coordination interface with State Government departments and agencies to resolve implementation challenges.
7) Ensure timely completion of projects in accordance with DPRs and approved timelines.
8) Any other work defined/ specified at the time of onboarding the PMA as deemed necessary by the State Department.

B. Facilitation of Government Schemes

The PMA shall also support units, developers and stakeholders in availing benefits under relevant schemes of the Government of India and Government of Jharkhand, including but not limited to:

a) **Government of Jharkhand Initiatives:** Jharkhand Textile, Apparel and Footwear Policy (as amended from time to time).

b) **Key Government of India Schemes**

i. **Investment / Manufacturing Incentives**
- Production Linked Incentive (PLI) Scheme for Textiles.
- PM MITRA (Mega Integrated Textile Region and Apparel) Parks Scheme.

ii. **Export Promotion Schemes**
- Remission of Duties and Taxes on Exported Products (RoDTEP).
- Rebate of State and Central Levies and Taxes (RoSCTL).
- Interest Equalization Scheme.
- Duty Drawback Scheme.
- Market Access Initiative (MAI).

iii. **Cluster & Infrastructure Development**
- Scheme for Integrated Textile Parks (SITP) (where applicable / legacy projects).
- National Handloom Development Programme (NHDP).
- Comprehensive Handicrafts Cluster Development Scheme (CHCDS).

iv. **Skill Development & Capacity Building**
- SAMARTH (Scheme for Capacity Building in Textile Sector).
- Skill development programmes under integrated textile sector initiatives.

v. **Sericulture & Traditional Sector Development**
- Silk Samagra-2 Scheme.
- Schemes under Central Silk Board.

vi. **Other Enabling Support**
- Export Promotion Mission (EPM) (emerging framework).

- Any other scheme notified by the Government of India or Government of Jharkhand from time to time.

11 Procedure for Disposal of Applications

11.1 Online mechanism for disbursal of incentives

Department of Industries has developed an online mechanism through Jharkhand Single Window Portal for receiving applications and an online workflow system for the sanction and disbursement of incentives/ concessions/ subsidies under this policy.

All applications received for incentives under this policy shall be placed before the committee mentioned below depending on the category of Industries:

a) **Single Window Clearance Committee**: Applications of Micro, Small and Medium units for incentives under this policy shall be placed before the Single Window Clearance Committee headed by Principal Secretary/ Secretary, Department of Industries.

   The Committee shall examine all the applications received and give its approval for incentives to MSME units.

b) **High Powered Committee** under the Chairmanship of the Chief Secretary shall grant approval of financial incentive packages for non-MSME projects on the recommendation of the Single Window Clearance Committee.

12 Miscellaneous Provisions

12.1 Date of Production (DoP)

All textile, apparel and footwear units must obtain the Certification of Date of Production (DoP) from the competent authority for availing benefits under this policy. The Udyog Aadhar or Udhyam will not be sufficient to substitute a DOP certificate.

The "Date of Production" of a unit shall mean the date on which the unit actually commences commercial production**/ Date of first commercial invoice generated** of the item for which the unit has been registered. The procedure for applying for the same shall be as per the provisions of Jharkhand Industrial and Investment Promotion Policy 2026.

12.2 Operative period of the policy

a) The policy will come into operation from the date of issue of its notification in the official gazette and shall remain in force for a period of 05 (five) years.

b) Only those enterprises that complete and make their projects operational during the operative period and have a date of production in this policy period shall be eligible for benefits mentioned under this policy.

12.3 Doubts Resolution

a) Doubts relating to the interpretation of any term and/or dispute relating to the operation of any provision under the Jharkhand Textile, Apparel and Footwear Policy 2026 shall have to be referred to the Department of Industries, Government of Jharkhand for clarification/ resolution and the decision of the Government of Jharkhand in this regard shall be final and binding on all parties concerned.

b) In case of any doubt, the "English Version" of the policy will be considered an authentic version.

c) In case of any inconsistency between this policy and any other policy of the State Government, provisions of this policy shall prevail for matters relating to the textile, apparel and footwear sector.

12.4 Power of the State Government

Notwithstanding anything contained in the foregoing paragraphs of the Jharkhand Textile, Apparel and Footwear Policy 2026, the Government of Jharkhand by the issuance of a notification in the official gazette may amend or withdraw any of the provisions and/ or the schemes mentioned hereinabove.

Order

It is ordered that a copy of the notification should be sent for publication in the special edition of the Jharkhand Gazette and be circulated among all the Departments/ Departmental heads and Subordinate offices of the Government.

By the Order of the Governor of Jharkhand

Secretary

Department of Industries
Government of Jharkhand

<u>Annexure-I</u> : Definitions

1. **New Enterprise:** "New Enterprise" means an enterprise that commences commercial production or operations during the operative period of this policy, after obtaining all required approvals and registrations.
2. **Existing Enterprise:** The "Existing Enterprise" means a duly registered and operational enterprise that undertakes expansion, diversification, or modernisation in an existing unit within the scope of activities covered under this policy.
3. **Expansion:** Expansion "Expansion" means an existing unit making additional capital investment and fulfilling the following conditions:

   a) **Investment Criteria**:

   - **For MSME Units:** Minimum **33% additional investment** in Plant and Machinery over the existing investment.
   - **For Large Units:** Minimum **33% additional investment** on depreciated book value or fixed capital investment of **INR 16.5 crore**, whichever is higher.
   - **For Mega and Ultra-Mega Projects:** Minimum **33% additional investment** on depreciated book value or on minimum threshold fixed under this policy, whichever is higher.

   b) **Capacity Criteria**: Minimum **33% increase in installed production capacity.**
4. **Diversification:** Diversification means an existing unit that makes additional capital investment and fulfils the following conditions:
   (a) Same investment thresholds as defined under **"Expansion"**

   (b) Production **of at least one new product after diversification**.
5. **Modernisation:** Modernisation means an existing unit that makes additional capital investment and fulfils the following conditions:
   (1) Same investment thresholds as defined under **"Expansion".**
   (2) At least **20% improvement in the installed capacity**.
   (3) An improvement of either energy saving of **at least 30% or reduction of pollution level of at least 30% or the latest technology** in that sector as certified by the reputed institutions recognized by the Government.
   (4) Adoption of **advanced or state-of-the-art technology** as certified by a recognized technical institution or competent authority.
6. **Fixed Capital Investment:** The 'Fixed Capital Investment' means an investment made in building (not applicable for Non-MSME), plant and machinery as well as productive assets of permanent nature such as tools, jigs, fixtures, dies, crane, electrification, silent DG Sets and pollution control equipment.

   <u>Note</u>: *Excludes investments in goodwill, working capital, second-hand machinery (unless specifically permitted) and consumables. Treatment of pollution control equipment and captive power systems shall be as per specific provisions under this policy.*

7. **Government of India Schemes (Textile Sector):** Refers to relevant schemes and initiatives notified by the Government of India from time to time for the development of the textile and apparel sector, including but not limited to:

   a. Production Linked Incentive (PLI) Scheme for Textiles.
   b. PM MITRA Parks.
   c. SAMARTH (Skill Development Scheme).
   d. Silk Samagra and other sector-specific schemes.

Note: *Earlier schemes such as ATUFS may continue to apply only for legacy cases, where applicable.*

8. **MSME Projects (Updated – 2025 onwards):** "MSME (Micro, Small and Medium Enterprises)" shall be classified based on a composite criterion of investment in plant & machinery/equipment and annual turnover, as notified by the Government of India (latest revision), effective from 1st April 2025.

MSME Classification-

Enterprise Category	Investment in Plant & Machinery / Equipment	Annual Turnover
Micro	Up to **INR 2.5 crore**	Up to **INR 10 crore**
Small	Up to **INR 25 crore**	Up to **INR 100 crore**
Medium	Up to **INR 125 crore**	Up to **INR 500 crore**

9. **Large/ Mega/ Ultra-Mega Projects:** The definition of Large, Mega and Ultra-Mega Projects will be applicable as per definition provided in Jharkhand Industrial Investment Promotion Policy 2026.

10. **Anchor Projects:** The definition of Anchor Projects will be applicable as per definition provided in Jharkhand Industrial Investment Promotion Policy 2026.

11. **Textiles Export-Oriented Unit (EOU):** "Export-Oriented Unit (EOU)" means a textile unit exporting 40% or more of its total annual production.

12. **Ancillary Units:** "Ancillary Units" refer to units that support the textile value chain and are classified as:
    - **Backward Ancillary:** Units providing raw materials or inputs.
    - **Forward Ancillary:** Units engaged in value addition, processing or finishing.
    - **Service Ancillary:** Units providing services such as logistics, testing, design, or packaging.

13. **Jharkhand Domicile:** "Jharkhand Domicile" means a person holding a valid domicile/residential certificate issued by the competent authority of the Government of Jharkhand.

14. **Startup:** A Startup means a business officially recognized by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India. The Startup must have an operating unit in the State of Jharkhand.

Annexure-II : Abbreviations

Abbreviation	Full Form
BEE	Bureau of Energy Efficiency
CAD/CAM	Computer-Aided Design / Computer-Aided Manufacturing
CETP	Common Effluent Treatment Plant
CFC	Common Facility Centre
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
CHCDS	Comprehensive Handicrafts Cluster Development Scheme
CIACI	Centre for Industrial, Artisan and Crafts Persons' Interaction
CPIS	Comprehensive Project Investment Subsidy
DoP	Date of Production
DPR	Detailed Project Report
EDP	Entrepreneurship Development Programme
EPM	Export Promotion Mission
EPF/ ESI	Employees' Provident Fund/ Employees' State Insurance
FDI	Foreign Direct Investment
GoI	Government of India
GoJ	Government of Jharkhand
GST	Goods and Services Tax
IT	Information Technology
Jharcraft	Jharkhand Silk, Textile and Handicraft Development Corporation Ltd.
JIADA	Jharkhand Industrial Area Development Authority
JIIDCO	Jharkhand Industrial Infrastructure Development Corporation
JICD	Jharkhand Institute of Craft and Design
JSDMS	Jharkhand Skill Development Mission Society
LEED	Leadership in Energy and Environmental Design
MAI	Market Access Initiative
MoT	Ministry of Textiles
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
NABARD	National Bank for Agriculture and Rural Development
NID	National Institute of Design
NIFT	National Institute of Fashion Technology
NTTM	National Technical Textiles Mission
PLI	Production Linked Incentive
PM MITRA	PM Mega Integrated Textile Region and Apparel Parks
PMA/ PMC	Project Management Agency/ Project Management Consultant
R&D	Research and Development
RoDTEP	Remission of Duties and Taxes on Exported Products
RoSCTL	Rebate of State and Central Levies and Taxes
SAMARTH	Scheme for Capacity Building in Textile Sector
SC/ST	Scheduled Caste / Scheduled Tribe
SITP	Scheme for Integrated Textile Parks (legacy/ongoing projects)
SPV	Special Purpose Vehicle
DGFT	Directorate General of Foreign Trade
EPC	Export Promotion Council
ZED	Zero Defect Zero Effect