

‘Tamil Nadu New Integrated Textile Policy 2025-26’ was released on 29th Jan 2026

Key Highlights of Tamil Nadu New Integrated Textile Policy 2025–26

1. Vision & Objectives

- Transform Tamil Nadu into a **global textile sourcing hub** with strong focus on **innovation, sustainability, and inclusive growth**.
- Support TN’s goal of becoming a **USD 1 trillion economy by 2030**.
- Short-term (5 years): modernisation, skill development, raw material access, ESG compliance adoption.
- Medium-term (10 years): Build **Brand Tamil Nadu**, develop dedicated textile clusters.
- Long-term (15 years): Make Tamil Nadu the **global hub for value-added textile products** through integrated value-chain creation.

2. Major Expected Outcomes (Next 5 Years)

- Modernise **19 lakh spindles** and **8 lakh rotors**.
- Install **1,000** modern Rapier looms with electronic jacquard + **3,000** shuttleless looms.
- Establish **10 new dyeing/printing/finishing units with IETPs**.
- Modernise **50 processing units**.
- Install **100 CAD/CAM cutting machines**.
- Establish **10 units** in non-conventional fibre/yarn manufacturing.
- Support **24 Technical Textile startups** end-to-end.
- Fund **10 R&D projects** in MMF/Technical Textiles.

3. Fiscal Support Framework

The policy provides a *large suite of subsidies and incentives* across the value chain.

3.1 Spinning Sector

- **6% interest subvention** for replacing >15-year-old spindle capacity.
- Fund allocation: Ring (60%), Open-end (25%), Air-jet (15%).

3.2 Handloom Sector

- **Handloom Support Programme (₹40 Cr)** for innovation, design, branding, diversification.
- Additional **₹10 Cr working capital** for PWCs.
- Establishment of **Mini Handloom Parks** with **₹2–5 Cr** support each.
- **Free electricity (300 units bi-monthly)**.
- **6% interest subsidy** for cooperative societies.

3.3 Powerloom Sector

- **50% capital subsidy** (up to ₹1 lakh/loom) for upgrading old looms to Rapier looms.
- **20% subsidy** (up to ₹1.5 lakh/loom) for new Rapier looms with Electronic Jacquard.
- Support for **Common Facility Centres (CFCs)**: up to **₹60 lakh** per center + subsidies for warping, design studios, testing, sample centers.
- **Free electricity** for powerloom weavers up to **1,000 units bi-monthly**.

3.4 Processing Sector

- **25% capital subsidy** for setting up new dyeing/printing/finishing units + IETPs (ceiling ₹5 Cr).

- **25% subsidy** for modernisation of existing processing units (ceiling ₹4 Cr).

3.5 Cut & Sew (Garmenting) Sector

- **50% capital subsidy** (up to ₹50 lakh/machine) for CAD/CAM cutting machines.

3.6 Non-Conventional Fibre/Yarn

- **25% capital subsidy** (max ₹1 Cr) for banana, bamboo, hemp, flax, pineapple fibre etc.

4. Sustainability & Compliance Support

4.1 Resource Efficiency Audits

- Up to **50% subsidy** (₹3 lakh) for environmental audits.
- Up to **25% subsidy** (₹10 lakh) for recommended conservation equipment.

4.2 Compliance & Certifications

- State to publish a Compendium of Compliance Certificates required globally.

5. Market Development & Branding

- TN Pavilion in **4 international fairs** annually for **10 exhibitors** each.
- **50% reimbursement** of stall cost (₹2 lakh) + airfare (₹1.25 lakh).
- Annual **International Textile Exhibition** in TN (₹1.5 Cr).

6. Additional 10% Special Subsidy

- Applicable for units in **22 “C” category districts** to promote balanced regional development.

7. Technical Textiles – Special Mission (T3M)

- Launch of **Tamil Nadu Technical Textiles Mission** with **₹15 Cr** initial budget.
- Dedicated PMU for business support, market intelligence, and facilitation.
- Empanelment of national/international consultants to evangelise opportunities.
- **50% reimbursement** of consultancy fees (up to ₹50 lakh per firm).

R&D Support

- **₹25 Cr Research & Business Development Fund** for Technical Textiles & MMF.

8. Special Scheme for Technical Textiles, MMF Yarn (Recycled), MMF Fabric & Apparel

Key benefits:

- Lower investment thresholds (₹50–100 Cr depending on segment).
- Choice between **Special Capital Subsidy** or **Turnover-based Subsidy**.
- (Turnover-based subsidy ranges **0.75% – 2%** depending on district & employment).
- Extra benefits for diversification projects and companies setting up CFCs.

9. Institutional Support

- **Textile Trade Facilitation Centre (TTFC)** established with a digital platform (₹50 lakh).
- **Technical Advisory Committee** for continuous policy review.
- **Exporter Excellence Awards** across Micro, Small, Medium, Sub-large, Large categories.
- Strengthened skill ecosystem via Polytechnic/ITI partnerships + placement support.

10. Ease of Doing Business & FDI

- Single-window approvals and online incentive disbursal via DBT.
- **100% automatic route for FDI** in textiles applies; TN assures full support.

NOTE:

“A” Category Districts: As per the Tamil Nadu Industrial Policy 2021

Chennai, Chengalpattu, Kancheepuram, and Tiruvallur.

“B” Category Districts: As per the Tamil Nadu Industrial Policy 2021

Coimbatore, Erode, Karur, Krishnagiri, Namakkal, The Nilgiris, Ranipet, Salem, Tiruchirappalli, Tirupattur and Tiruppur

“C” Category Districts: As per the Tamil Nadu Industrial Policy 2021

Ariyalur, Cuddalore, Dharmapuri, Dindigul, Kallakurichi, Kanyakumari, Madurai, Mayiladuthurai, Nagapattinam, Perambalur, Pudukottai, Ramanathapuram, Sivagangai, Tenkasi, Thanjavur, Theni, Tiruvarur, Thoothukudi, Tirunelveli, Thiruvannamalai, Villupuram and Virudhunagar