

Government has approved Production Linked Incentive (PLI) Scheme for Textiles. With this, India is poised to regain its dominance in Global Textiles Trade

Leveraging Economies of Scale, the scheme will help Indian companies to emerge as Global Champions

Help create additional employment of over 7.5 lakh people directly and several lakhs more for supporting activities

Scheme will also pave the way for participation of women in large numbers

Incentives worth Rs. 10,683 crore will be provided to industry over five years

It is expected that this scheme will result in fresh investment of above Rs 19,000 crore and additional production turnover of over Rs.3 lakh crore in five years

Higher priority for investment in Aspirational Districts & Tier 3/4 towns

Scheme will positively impact especially States like Gujarat, UP, Maharashtra, Tamil Nadu, Punjab, AP, Telangana, Odisha etc.

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Taking steps forward towards the vision of an ‘Aatmanirbhar Bharat’, Government led by Hon’ble Prime Minister, Shri Narendra Modi, has approved the PLI Scheme for Textiles for MMF Apparel, MMF Fabrics and 10 segments/ products of Technical Textiles with a budgetary outlay of Rs. 10,683 crore. PLI for Textiles along with RoSCTL, RoDTEP and other measures of Government in sector e.g. providing raw material at competitive prices, skill development etc will herald a new age in textiles manufacturing.

PLI scheme for Textiles is part of the overall announcement of PLI Schemes for 13 sectors made earlier during the Union Budget 2021-22, with an outlay of Rs. 1.97 lakh crore. With the announcement of PLI Schemes for 13 sectors, minimum production in India is expected to be around Rs. 37.5 lakh crore over 5 years and minimum expected employment over 5 years is nearly 1 crore.

PLI scheme for Textiles will promote production of high value MMF Fabric, Garments and Technical Textiles in country. The incentive structure has been so formulated that industry will be encouraged to invest in fresh capacities in these segments. This will give a major push to growing high value MMF segment which will complement the efforts of cotton and other natural fibre-based textiles industry in generating new opportunities for employment and trade, resultantly helping India regain its historical dominant status in global textiles trade.

The Technical Textiles segment is a new age textile, whose application in several sectors of economy, including infrastructure, water, health and hygiene, defense, security, automobiles, aviation, etc. will improve the efficiencies in those sectors of economy. Government has also launched a National Technical Textiles Mission in the past for promoting R&D efforts in that sector. PLI will help further, in attracting investment in this segment.

There are two types of investment possible with different set of incentive structure. Any person, (which includes firm / company) willing to invest minimum ₹300 Crore in Plant, Machinery, Equipment and Civil Works (excluding land and administrative building cost) to produce products of Notified lines (MMF Fabrics, Garment) and products of Technical Textiles, shall be eligible to apply for participation in first part of the scheme. In the second part any person, (which includes firm / company) willing to invest minimum ₹100 Crore shall be eligible to apply for participation in this part of the scheme. In addition, priority will be given for investment in Aspirational Districts, Tier 3, Tier 4 towns, and rural areas and due to this priority Industry will be incentivized to move to backward area. This scheme will positively impact especially States like Gujarat, UP, Maharashtra, Tamilnadu, Punjab, AP, Telangana, Odisha etc.

It is estimated that over the period of five years, the PLI Scheme for Textiles will lead to fresh investment of more than Rs.19,000 crore, cumulative turnover of over Rs.3 lakh crore will be achieved under this scheme and, will create additional employment opportunities of more than 7.5 lakh jobs in this sector and several lakhs more for supporting activities. The textiles industry predominantly employs women, therefore, the scheme will empower women and increase their participation in formal economy.

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