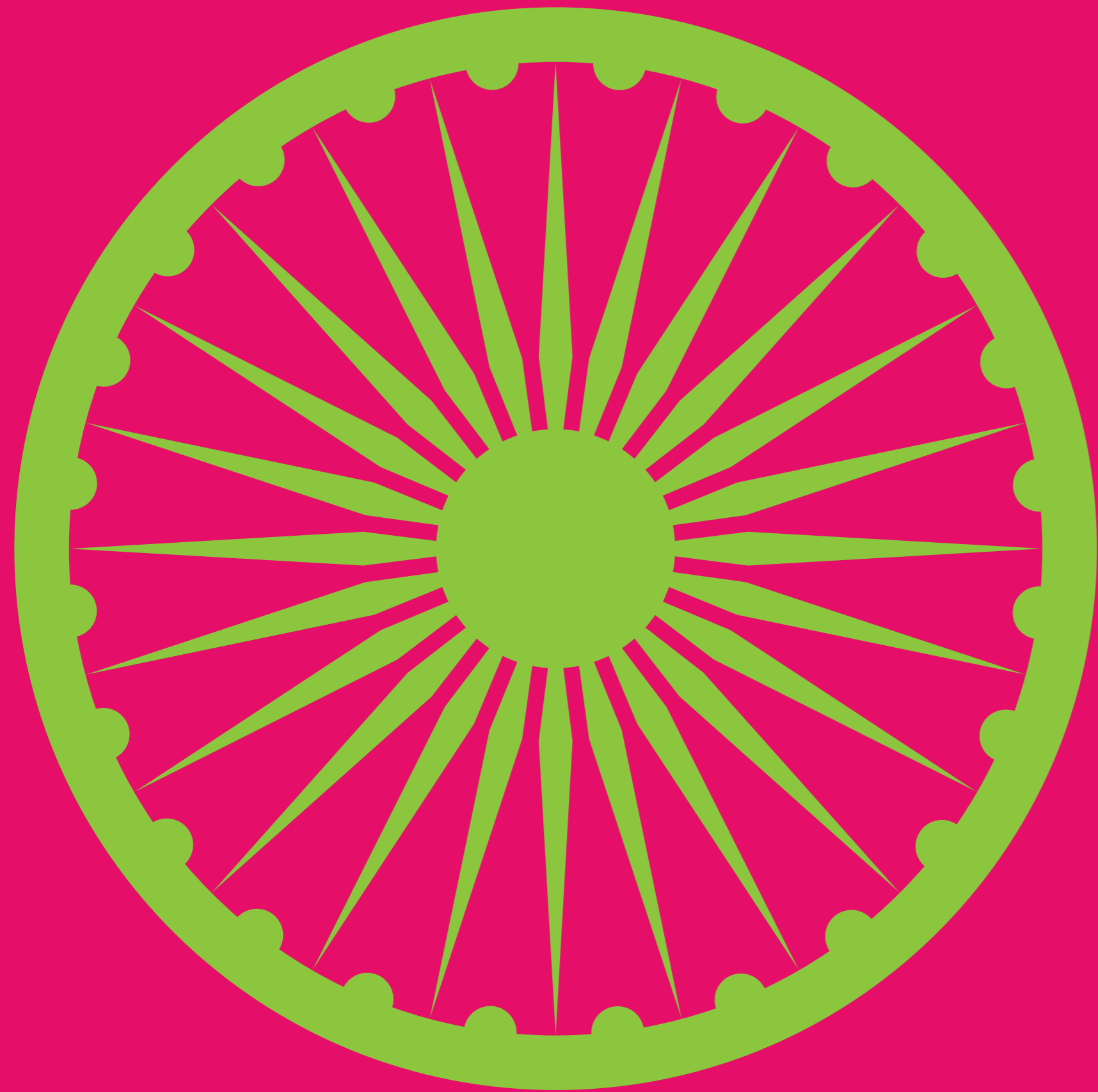
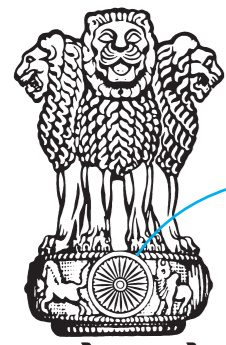




**MAKE IN
INDIA
TEXTILES**



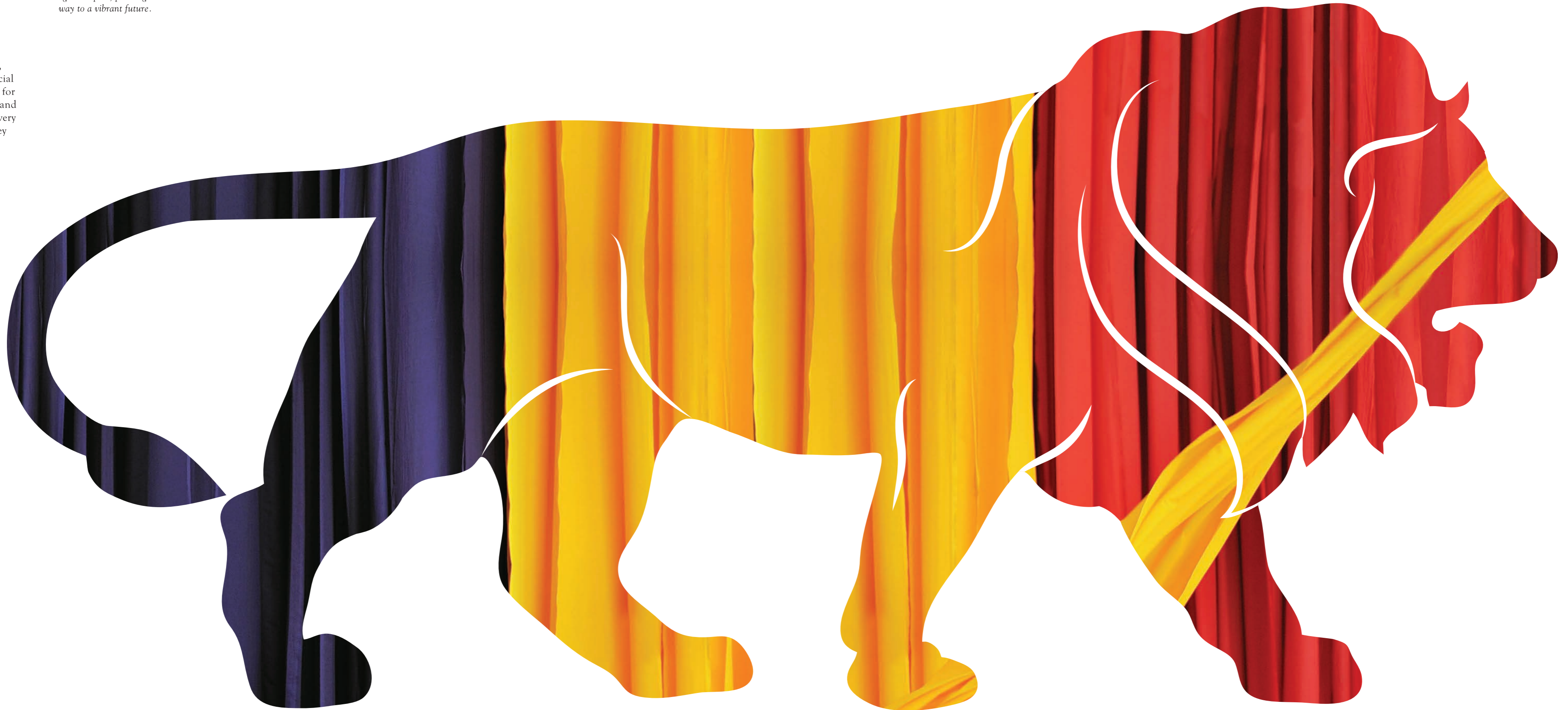
**FROM AGRICULTURE TO AUTOMOBILES
FROM HARDWARE TO SOFTWARE
FROM SATELLITES TO SUBMARINES
FROM TELEVISIONS TO MOVIES
FROM BRIDGES TO BIOTECHNOLOGY
FROM PAPER CLIPS TO POWER PLANTS
FROM ROADS TO CITIES
FROM FRIENDSHIP TO PARTNERSHIP
FROM PROFIT TO PROGRESS
WHATEVER YOU WANT TO MAKE:
MAKE IN INDIA**



The Ashoka Chakra is a central element in India's national emblem and also forms the centrepiece of India's national flag. The wheel denotes peaceful progress and dynamism – a sign from India's enlightened past, pointing the way to a vibrant future.

सत्यमेव जयते

Since time immemorial, the Lion has been the official emblem of India. It stands for strength, courage, tenacity and wisdom – values that are every bit as Indian today as they have ever been.





**AS THE WORLD'S LARGEST PRODUCER OF JUTE
AND COTTON WITH MASSIVE LOOM CAPACITY TO
MATCH, INDIA IS CLOTHIER TO THE WORLD.**

1ST IN GLOBAL JUTE PRODUCTION

7 MILLION TONNES OF FBP IN 2013-14

63% OF THE WORLD'S MARKET SHARE IN TEXTILES AND GARMENTS

2ND LARGEST TEXTILE MANUFACTURER IN THE WORLD

24% OF THE WORLD'S SPINDLES

8% OF THE WORLD'S ROTORS

NEW INITIATIVES

THE MAKE IN INDIA PROGRAM
INCLUDES MAJOR NEW INITIATIVES
DESIGNED TO FACILITATE INVESTMENT,
FOSTER INNOVATION, PROTECT
INTELLECTUAL PROPERTY AND BUILD
BEST-IN-CLASS MANUFACTURING
INFRASTRUCTURE.

1 NEW PROCESSES

- SPECIAL FOCUS ON EASE OF DOING BUSINESS
- DE-LICENSING & DEREGULATION

2 NEW INFRASTRUCTURE

- INDUSTRIAL CORRIDORS
- INDUSTRIAL CLUSTERS
- SMART CITIES
- NURTURING INNOVATION
- SKILL DEVELOPMENT

3 NEW SECTORS

- OPENING OF CRITICAL SECTORS LIKE DEFENSE,
CONSTRUCTION AND RAILWAYS FOR FDI

4 NEW MINDSET

- DEDICATED TEAMS THAT WILL GUIDE AND ASSIST FIRST-TIME
INVESTORS FROM TIME OF ARRIVAL
- FOCUSED TARGETTING OF COMPANIES ACROSS SECTORS

FACTS + FIGURES

REASONS TO INVEST

- India has the second largest manufacturing capacity globally.
- The Indian textile industry accounts for about 24% of the world's spindle capacity and 8% of global rotor capacity.
- India has the highest loom capacity (including hand looms) with 63% of the world's market share.
- India accounts for about 14% of the world's production of textile fibre and yarn and is the largest producer of jute and the second largest producer of silk and cotton.
- A strong production base of a wide range of fibre/yarn from natural fibres like cotton/jute, silk and wool to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.
- Increased penetration of organised retail, favourable demographics and rising income levels to drive textile demand.
- India enjoys a comparative advantage in terms of skilled manpower and cost of production over major textile producers.
- Abundant raw material and increasing demand for exports to boost fibre production.
- Abundant availability of raw materials such as cotton, wool, silk and jute.

GROWTH DRIVERS

- Rising per capita income, favourable demographics and a shift in preference for branded products is expected to boost demand.
- Favourable trade policies and superior quality will drive textile exports.
- Increase in domestic demand is set to boost cloth production.
- Pointed and favourable policies instituted by the government will give the industry a fillip.
- With consumerism and disposable income on the rise, the retail sector has experienced rapid growth in the past decade, with many global players entering the Indian market.
- The centers of excellence focused on testing and evaluation as well as resource centres and training facilities have been set up.
- As per the plan for 2012-17, the Integrated Skill Development Scheme aims to train over 2,675,000 people up to 2017, covering all sub-sectors of the textile sector – textiles and apparel, handicrafts, handlooms, jute and sericulture.
- Changing lifestyles and increasing demand for quality products are set to fuel the need for apparel.

STATISTICS

- The sector contributes 14% to industrial production, 4% to India's GDP and constitutes 13% of the country's export earnings.
- With over 45 Million people, employed directly, the industry is one of the largest sources of employment generation in the country.
- The domestic textile and apparel industry in India is estimated to reach USD 100 Billion by 2016-17 from USD 67 Billion in 2013-14.
- Exports in textiles and apparel from India are expected to increase to USD 65 Billion by 2016-17 from USD 40 Billion in 2013-14.
- The total fabric production in India is expected to grow to 112 Billion square metres by 2016-17 from 64 Billion square metres in 2013-14.
- India's fibre production in 2013-14 is 7 Million Tonnes and is expected to reach 10 Million Tonnes in 2016-17.

INVESTMENT OPPORTUNITIES

- Entire value chain of synthetics.
- Value added and speciality fabrics.
- Fabric processing set-ups for all kind of natural and synthetic textiles.
- Technical textiles.
- Garments.
- Retail brands.

FDI POLICY

100% FDI is allowed under the automatic route in the textile sector; investment is subject to all applicable regulations and laws.

FINANCIAL SUPPORT

KEY PROVISIONS OF BUDGET 2014-15

- Allocation of INR 500 Million towards the setting up of a trade facilitation centre and a crafts museum to develop and promote handloom products and carry forward the rich tradition of the handlooms of Varanasi.
- Allocation of INR 2000 Million towards the proposed setting up of mega textile clusters at Bareilly, Lucknow, Surat, Kuttch, Bhagalpur and Mysore and one in Tamil Nadu.
- Allocation of INR 300 Million towards the setting up of Hastkala Academy for the preservation, revival and documentation of the handloom/handicraft sector in PPP mode in Delhi.
- Allocation of INR 500 Million towards the setting up of Pashmina Promotion Programme (P-3) and a programme for the development of other crafts of Jammu & Kashmir.
- The duty-free entitlement for import of trimmings and embellishments used by the readymade textile garment sector for manufacture of garments for exports is being increased from 3% to 5%.
- Non-fusible embroidery motifs or prints are being included in the list of items eligible to be imported duty-free for manufacture of garments for exports.
- The list of specified goods required by handicraft manufacturer-exporters is being expanded by including wire rolls so as to provide customs duty exemption on import by handicrafts manufacturer-exporters.
- Fusible embroidery motifs or prints, anti-theft devices, pin bullets for packing, plastic tag bullets, metal tabs, bows, ring and slider hand rings are being included in the list of items eligible to be imported duty-free for manufacture of handloom made ups or cotton made ups or manmade made ups for export.
- Specified goods imported for use in the manufacture of textile garments for export are fully exempt from Basic Customs Duty (BCD) and Countervailing Duty (CVD) subject to conditions that the manufacturer produces an entitlement certificate from the Apparel Export Promotion Council or from the Indian Silk Export Promotion Council.
- Basic Customs Duty (BCD) on raw materials for manufacture of spandex yarn viz. polytetramethylene ether glycol and diphenylmethane 4,4 di-isocyanate is being reduced from 5% to NIL.
- Any of the following two deductions can be availed:
 1. Investment allowance (additional depreciation) at the rate of 15% to manufacturing companies that invest more than INR 1 Billion in plant and machinery acquired and installed between 01.04.2013 and 31.03.2015, provided the aggregate amount of investment in new plant and machinery during the said period exceeds INR 1 Billion.

2. In order to provide a fillip to companies engaged in manufacturing, the said benefit of additional deduction of 15% of the cost of new plant and machinery, exceeding INR 250 Million, acquired and installed during any previous year, until 31.03.2017.

TAX INCENTIVES:

R&D Incentives: Industry/private-sponsored research programmes:

- A weighted tax deduction is given under Section 35 (2AA) of the Income Tax Act.
- A weighted deduction of 200% is granted to assesses for any sums paid to a national laboratory, university or institute of technology, or specified persons with a specific direction that the said sum would be used for scientific research within a program approved by the prescribed authority.

COMPANIES ENGAGED IN MANUFACTURE HAVING AN IN-HOUSE R&D CENTRE:

→ A weighted tax deduction of 200% under Section 35 (2AB) of the Income Tax Act for both capital and revenue expenditure incurred on scientific research and development. Expenditure on land and buildings are not eligible for deductions.

STATE INCENTIVES:

- Apart from the above, each state in India offers additional incentives for industrial projects. Some of the states also have separate policies for the textiles sector.
- Incentives are in areas like subsidised land cost, relaxation in stamp duty exemption on sale/lease of land, power tariff incentives, concessional rates of interest on loans, investment subsidies/tax incentives, backward areas subsidies and special incentive packages for mega projects.

EXPORT INCENTIVES:

- Export Promotion Capital Goods Scheme (PCGS).
- Duty Remission Scheme.
- Focus Product Scheme, Special Focus Product Scheme, Focus Market Scheme.

AREA-BASED INCENTIVES:

→ Incentives for units in SEZ/NIMZ as specified in respective acts or the setting up of projects in special areas such as the North-east, Jammu & Kashmir, Himachal Pradesh & Uttarakhand.

SECTOR POLICY

- Technology Upgradation Fund Scheme has infused investment of more than INR 2500 Billion in the industry. Support has been provided for modernisation and upgradation by providing credit at reduced rates and capital subsidies.
- Scheme for Integrated Textile Parks provides world class infrastructure to new textile units. To date, 57 Textile Parks have been sanctioned with an investment of INR 60 Billion. By 2017, 25 more Textile Parks are to be sanctioned.
- Integrated Processing Development Scheme for sanctioning processing parks has been initiated. INR 5 Billion has been earmarked for this scheme.
- Integrated Skill Development Scheme has provided training to 1.5 Million people to cover all sub-sectors of textiles such as Textile and Apparel, Handicrafts, Handlooms, Jute and Sericulture.



FOREIGN INVESTORS

- Rieter (Switzerland)
- Trutzschler (Germany)
- Soktas (Turkey)
- Zambiatì (Italy)
- Bilsar (Turkey)
- Monti (Italy)
- CMT (Mauritius)
- E-land (S. Korea)
- Nissinbo (Japan)
- Marubeni (Japan)
- Skaps (USA)
- Ahlstorm (USA)
- Terram (UK)
- Strata Geosystems (USA)
- Marks & Spencer (UK)
- Zara (Spain)
- Mango (Spain)
- Promod
- Benetton (Italy)
- Esprit (USA)
- Levi's (USA)
- Forever 21 (USA)



AGENCIES

- Ministry of Textiles, Government of India (<http://texmin.nic.in>)
- Office of Textile Commissioner (<http://txcindia.gov.in>)
- Office of Development Commissioner for Handlooms (<http://handlooms.nic.in>)
- Office of Development Commissioner for Handicrafts (<http://handicrafts.nic.in>)
- Jute Commissioner (<http://jutecomm.gov.in>)
- Exports Promotion Councils:
 - Apparel Export Promotion Council (<http://aepcindia.in>)
 - Cotton Textile Export Promotion Council (<http://hepcindia.com>)
 - The Synthetic and Rayon Textile EPC (<http://synthetictextiles.org>)
 - Indian Silk Export Promotion Council (<http://silkepc.com>)
 - Wool and Woollen Exports Promotion Council (<http://wwpecindia.com>)
 - Carpet Export Promotion Council (<http://indiancarpets.com>)
 - Export Promotion Council for Handicrafts (<http://epch.in>)
 - Powerloom Development & Export Promotion Council (<http://pdexcil.org>)
 - Wool Industry Export Promotion Council (<http://wooltexpro.com>)
 - The Handicraft and Handlooms Exports Corporation of India (<http://hhecworld.in>)
 - Central Cottage Industries Corporation of India (<http://cottageemporium.in>)
 - Cotton Corporation of India Ltd. (<http://cotcorp.gov.in>)
 - National Institute of Fashion Technology (<http://nift.ac.in>)



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