

GOVT. CLEARS RS. 10,683 CR. TEXTILES PLI PLAN

Relevant for: Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

Spinning support: The plan may help draw investment of over Rs. 19,000 crore, adding 7.5 lakh jobs. S. Siva Saravanan

The Union Cabinet on Wednesday approved a Rs. 10,683 crore Production Linked Incentive (PLI) scheme for the textile sector with a view to “helping India regain its historical dominant status in global textiles trade”.

The incentives are designed to encourage investment in new capacities in man-made fibre (MMF) apparel, MMF fabrics, and 10 segments or products of technical textiles. The government expects the scheme to help attract fresh investment of more than Rs. 19,000 crore, creating an additional 7.5 lakh direct jobs.

Terming the move a ‘game changer’, Union Minister for Textiles, Commerce and Industry, Consumer Affairs, Food and Public Distribution Piyush Goyal told *The Hindu* that any investment in the sector would have a multiplier effect especially in job creation. “The PLI as a whole is a game changer. And, for textiles it will be a big, big boost. Because... you create maximum employment in the textile sector, for every rupee invested,” he added.

Two-thirds of India’s textile exports now are cotton based whereas 66-70% of world trade in textiles and apparel is MMF-based and technical textiles. India’s focus on the manufacture of textiles in the MMF sector is expected to help boost its ability to compete globally.

Two categories

The scheme envisages two levels of investment with different sets of incentives. While any person or firm can invest a minimum Rs. 300 crore in plant, machinery, and civil works to produce the identified products to ensure eligibility for the PLI, in the second category a minimum investment of Rs. 100 crore would make an individual or firm eligible to apply for the incentives.

Priority would be given for investment in aspirational districts, tier-three, tier-four towns and rural areas. The scheme is expected to benefit States such as Gujarat, U.P., Maharashtra, Tamil Nadu, Punjab, Andhra, Telangana and Odisha.

Textiles Secretary Upendra Prasad Singh said guidelines for implementation of the scheme would be notified by the end of this month. A portal would be opened to receive applications and the plan is to allow two months time to the units to apply for benefits under the scheme.

Applicants would have two years as investment period and 2024-2025 would be the ‘performance’ year. The incentive flow would start in 2025-2026 and extend for five years.

S.K. Sundararaman, chairman of the Indian Technical Textile Association, said the PLI plan, along with other schemes, was ‘a boon’ to the MMF sector. It would help accelerate decisions by firms eyeing the sector.

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