

MINISTRY OF TEXTILES
NOTIFICATION
New Delhi, the 24th September, 2021

SUB: PRODUCTION LINKED INCENTIVE (PLI) SCHEME FOR TEXTILES
F. No. 12015/03/2020-IT.—

1. INTRODUCTION

The Government has approved the Production Linked Incentive (PLI) Scheme for promotion of MMF Apparel, MMF Fabrics and Products of Technical Textiles. The scheme will be implemented from the date of this notification. Incentives under the scheme will be available for 5 years period i.e. during FY 2025-26 to FY 2029-30 on incremental turnover achieved during FY 2024-25 to FY 2028-29 with a budgetary outlay of Rs. 10,683 crore. However, if a company is able to achieve the investment and performance targets one year early then, they will become eligible one-year in advance starting from 2024-25 to 2028-29 i.e. for 5 years.

2. OBJECTIVE

The Production Linked Incentive (PLI) Scheme is intended to promote production of MMF Apparel & Fabrics and, Technical Textiles products in the country to enable Textiles Industry to achieve size and scale; to become competitive and a creator of employment opportunities for people.

3. PRODUCTS DETAILS

The scheme proposes to incentivise MMF Apparel listed at **Annexure-I**, MMF Fabrics listed at **Annexure-II** and 10 segments of Technical Textiles products listed at **Annexure-III**. Turnover of MMF Apparel, Fabrics and products of Technical Textiles will be counted based on product description in GST invoice at 8-digit HS Code.

4. SCHEME SEGMENTS AND INCENTIVES

4.1 Scheme Part- 1: Any person, which includes firm / company willing to invest a minimum 1300 Crore in Plant, Machinery, Equipment and Civil Works (excluding land and administrative building cost) to produce products of Notified lines, shall be eligible to apply for participation in this part of the scheme. However, applicant will form a separate company under Companies Act, 2013, before commencement of investment under this scheme. Such company under the scheme will be eligible to get incentive when they achieve a minimum of 600 Crore turnover by manufacturing and selling the products Notified under this scheme. Thus, for getting incentive, both the conditions of minimum investment and minimum turnover should be met. The participating company is expected to achieve this required turnover after a gestation period of two years, i.e. in FY 2024-2025, that will be termed as year 1 and a 15% incentive will be provided on attaining required turnover in the Notified lines of MMF and Technical Textiles. Incentive in the subsequent years will be provided on achieving a minimum additional incremental turnover of 25% over the immediate preceding year's turnover up to year 5. However, the incentive will be reduced by 1% every year from year 2 onward till the year 5 i.e. 11% in the year 5. Only such sales will be counted, which are transacted through normal banking channel.

4.2 Scheme Part-2: Any person, which includes firm / company willing to invest a minimum 1100 Crore in Plant, Machinery, Equipment and Civil Works (excluding land and administrative building cost) to produce products of Notified lines, shall be eligible to apply for participation in this part of the scheme. However, the applicant will form a company registered under Companies Act, 2013, before commencement of investment. Such company under the scheme will be eligible to get incentive when they achieve a minimum of 1 200 Crore turnover by manufacturing and selling the products notified under this scheme. Thus, for getting incentives, both the conditions of minimum investment and minimum turnover should be met. The participating company is expected to achieve this required turnover after a gestation period of two years, i.e. in FY 2024-2025, that will be termed as year 1 and 11% incentive on turnover will be provided on attaining required turnover in the Notified lines of MMF and Technical Textiles. Incentive in the subsequent years will be provided on achieving a minimum additional incremental turnover of 25% over the immediate preceding year's turnover up to year 5. However, the incentive will be reduced by 1% every year from year 2 onward till the year 5 i.e. 7% in the year 5. Only such sales will be counted, which are transacted through normal banking channel.

5. Common Conditions for both parts of Scheme:

- (a) Notified products removed from the factory under GST Invoice shall only be taken into account for calculation of incremental turnover provided remittances against such trade are realised/received through normal banking channel;
- (b) There will be a provision of cap of 10% over the prescribed minimum incremental turnover growth of 25% for the purpose of calculation of incentives from Year 2 onward. Turnover achieved beyond that cap will not be taken into account for calculation of incentive. However, for Year 1 this cap of 10% will be applied over a turnover of two times of investment made under the scheme. Turnover achieved beyond two times of the investment + 10% shall not be accounted for calculation of incentives in Year 1;
- (c) Only manufacturing company registered in India will be eligible to participate under the scheme. Participating company will have to undertake processing and operation activities in their own factory premises as prescribed in the scheme guidelines. Only project proposals envisaging processing and operation activities able to enhance value by not less than 60% in integrated fibre/yarn to fabric, garment & technical textiles will be selected. However, for proposal of independent fabrics processing house, this required minimum value enhancement will be only 30%;
- (d) Turnover achieved from trading and outsourced job work will not be accounted. The goods which is manufactured by the company registered under the scheme shall only be eligible for the incentives. In other words, goods manufactured by other manufacturer or unit of same group company shall not be accounted for calculation of incremental turnover;
- (e) Selection of participating company will be done following a complete transparent process based on objective criteria e.g. relevant experience, financial & technical capacity, size of investment proposed, expected job opportunities creation potential, location of the manufacturing unit etc. The selected applicant (Participant Company) under the scheme will have to maintain separate accounts and balance sheet along with inventory of inputs and sales data of production under the Scheme;
- (f) Only one company of a group will be allowed to be registered for PLI for Textiles and none of their other group companies will be eligible for participation in this scheme as a second participant. However, the group may make more than one (1) application for consideration but they will have to take a decision at the time of selection regarding the proposal they want to take forward in case more than one (1) of their proposals are shortlisted on the basis of transparent selection process;
- (g) This Scheme does not preclude beneficiary for duty remission/duty exemption/duty neutralization provided by Government of India or for making application for State Government schemes;
- (h) This scheme shall not be a permanent feature for the industry. The scheme is to support creation of a viable enterprise and competitive industry. So, only competent, sustainable industry players are to be supported through the scheme;
- (i) The total fund outgo and duration of the scheme is fixed. In case of availability of funds, entry of new entrant in the scheme period will be allowed till 2022-23. In such cases, investment should be completed by FY 2023-24 and production must be started in FY 2024-2025 for receiving incentive for 5 years' duration. In case the prescribed conditions are not met in time, the incentive will be available for a lesser number of years but rate of incentive will be applicable as prescribed to first year of the scheme and so on for remaining period;
- (j) In case any participant company fails to achieve the required turnover target in any of the years during scheme period, they will not get any incentive under this scheme for that year. However, incentive will be provided on achieving the prescribed target in subsequent years but within the scheme period. Such participants will get assistance for reduced number of years and at rates as explained in para(i) above.

6. SCHEME DURATION:

The scheme shall be valid upto 2029-30. The gestation period for both parts of the scheme will be of two (2) years i.e. FY: 2022-23 to FY: 2023-24.

7. FRAMEWORK OF THE SCHEME IMPLEMENTATION:

Scheme Part-1 & Part - 2

| Year | Gestation Period | Performance year | Incentives claim year |
|------|------------------|------------------|-----------------------|
| * | FY 2022-2023 | | |
| * | FY 2023-2024 | | |
| 1 | | FY 2024-2025 | FY 2025-2026 |

| | | | |
|---|--|--------------|--------------|
| 2 | | FY 2025-2026 | FY 2026-2027 |
| 3 | | FY 2026-2027 | FY 2027-2028 |
| 4 | | FY 2027-2028 | FY 2028-2029 |
| 5 | | FY 2028-2029 | FY 2029-2030 |

8. SCHEME GUIDELINES:

Detailed operational guidelines for inviting application, selection of eligible participants, effective monitoring of the scheme, releasing of incentives, and appropriate grievance redressal mechanism etc. will be finalised and notified after inter-ministerial consultations.

9. REVIEW AND MONITORING OF THE SCHEME

Empowered Group of Secretaries (EGoS), as constituted vide gazette Notification No. P 36017/144/2020-Investment & Promotion dated 10.06.2020 issued by DPIIT will monitor the implementation of the scheme. The composition of the EGoS for monitoring of PLI for Textiles will be as under:

1. Cabinet Secretary, Chairperson
2. CEO, NITI Aayog, Member
3. Secretary, Department for Promotion of Industry and Internal Trade, Member Convenor
4. Secretary, Department of Commerce, Member
5. Secretary, Department of Revenue, Member
6. Secretary, Department of Economic Affairs, Member
7. Secretary, Ministry of Textiles:

The EGoS chaired by the Cabinet Secretary will monitor the progress of this PLI scheme; undertake periodic review of the outgo under the Scheme; ensure uniformity with other PLIs and take appropriate action to ensure that the expenditure is within the prescribed outlay. EGoS is also empowered to make any changes in the modalities of the scheme, and address any issues related to genuine hardship that may arise during the course of implementation, within the overall financial outlay of ₹10683 crore.

10. Effect: This notification shall come into force from the date of issuance. Investment made in anticipation after this Notification may be taken into account to meet investment criteria, in case that investor company is selected under the scheme.

VIJOY KUMAR SINGH,
Addl. Secy.

Relevant extract of the Gazette Notification pertaining to MMF Textiles is given below:-

Annexure-I

| List of MMF Apparels | | | | |
|--|------------------------|--|------------------------|---|
| Products will be primarily identified at 8 digits HS code | | | | |
| Sl. No. | 6 digit HS code | Product description | 8 digit HS code | Product description |
| 25 | 621430 | Shawls, scarves, mufflers, mantillas, veils and similar articles of synthetic fibres (excluding ...) | 62143000 | SHWLS, SCRVS, MUFFLERS ETC. OF SYNTHTC FBRS |

Annexure-II

| List of MMF Fabrics | | | | |
|--|------------------------|---|------------------------|--|
| Products will be primarily identified at 8 digits HS code | | | | |
| Sl. No. | 6 digit HS code | Product description | 8 digit HS code | Product description |
| 1 | 540752 | Woven fabrics of yarn containing \geq 85% by weight of textured polyester filaments, incl. monofilament ... | 54075210 | POLYESTER SHIRTINGS |
| | | | 54075220 | POLYESTER SUITINGS |
| 2 | 600632 | Dyed fabrics, knitted or crocheted, of synthetic fibres, of a width of $>$ 30 cm (excluding warp ...) | 60063200 | OTHR KNITD OR CROCHETD FBRCs OF SYN FIBRS, DYED |
| 3 | 540761 | Woven fabrics of yarn containing \geq 85% by weight of non-textured polyester filaments, incl. ... | 54076110 | POLYESTER SHIRTINGS |
| | | | 54076120 | POLYESTER SUITINGS |
| 4 | 600192 | Pile fabrics of man-made fibres, knitted or crocheted (excluding "long pile" fabrics) | 60019200 | OTHER PILE FABRICS OF MANMADE FIBRES |
| 5 | 540754 | Woven fabrics of yarn containing \geq 85% by weight of textured polyester filaments, incl. monofilament ... | 54075420 | POLYESTER SHIRTING |
| 6 | 580632 | Narrow woven fabrics of man-made fibres, with a width of \leq 30 cm, n.e.s. | 58063200 | OTHER NARROW WOVEN FBRCs OF MAN-MADE FIBRE |
| 7 | 551511 | Woven fabrics containing predominantly, but $<$ 85% polyester staple fibres by weight, mixed ... | 55151110 | FBRC OF POLSTR, MXD WTH VISCOS RYON, UNBLCHD |
| | | | 55151120 | FBRC OF POLSTR, MXD WTH VISCOS RYON, BLCHD |
| | | | 55151130 | FBRC OF POLSTR, MXD WTH VISCOS RYON, DYED |
| | | | 55151140 | FBRC OF POLSTR, MXD WTH VISCOS RYON, PRINTD |
| 8 | 600537 | Dyed warp knit fabrics of synthetic fibres "incl. those made on galloon knitting machines", ... | 60053700 | OTHER, DYED |
| 9 | 551614 | Woven fabrics containing \geq 85% artificial staple fibres by weight, printed | 55161410 | SPUN RAYON PRINTED SHANTUNG |
| | | | 55161420 | SPUN RAYON PRINTED LINEN |
| 10 | 540742 | Woven fabrics of filament yarn containing \geq 85% nylon or other polyamides by weight, incl. ... | 54074210 | NYLON BRASSO |
| | | | 54074220 | NYLON GEORGETTE |
| | | | 54074230 | NYLON TAFETTA |
| 11 | 551219 | Woven fabrics containing \geq 85% polyester staple fibres by weight, dyed, made of yarn of different ... | 55121910 | OTHR WOVN FBRCs, DYED CNTNG POLYETR \geq 85% |
| | | | 55121920 | OTHR WOVN FBRCs, PRINTD CNTNG POLYETR \geq 85% |

| | | | | |
|----|--------|--|----------|---|
| 12 | 540710 | Woven fabrics of high-tenacity yarn, nylon, other polyamides or polyesters, incl. monofilament ... | 54071013 | UNBLECHD NYLON FURNISHG FBRCS |
| | | | 54071015 | UNBLECHD OTHR NYLON/POLYAMIDE FBRCS (FILAMENT) |
| | | | 54071016 | UNBLECHD POLYESTER SUITINGS |
| | | | 54071019 | UNBLECHD OTHR POLYESTER FABRICS |
| | | | 54071023 | BLECHD NYLON FURNISHN FBRCS |
| | | | 54071025 | BLECHD OTHR NYLON/POLYAMIDE FBRCS (FILAMENT) |
| | | | 54071026 | BLECHD POLYESTER SUITNGS |
| | | | 54071033 | DYED NYLON FURNISHG FBRCS |
| | | | 54071035 | DYED OTHR NYLON/POLYAMIDE FBRCS (FILAMENT) |
| | | | 54071036 | DYED POLYESTER SUITNGS |
| | | | 54071043 | PRINTED NYLON FURNISNG FBRCS |
| | | | 54071045 | PRINTED OTHR NYLON/POLYAMIDE FBRCS (FILAMENT) |
| | | | 54071046 | PRINTED POLYESTER SUITNGS |
| | | | 54071049 | PRINTED OTHR POLYESTER FBRCS |
| | | | 54071093 | OTHR NYLON FURNISNS FBRCS |
| | | | 54071096 | OTHR POLYESTER SUITNGS |
| | | | 54071099 | OTHR POLYESTER FBRCS NES |
| 13 | 540720 | Woven fabrics of strip or the like, of synthetic filament, incl. monofilament of ≥ 67 decitex ... | 54072010 | UNBLECHD WVEN FBRCS FROM STRIP/THE LIKE |
| | | | 54072020 | BLECHD WVEN FBRCS FROM STRIP/THE LIKE |
| | | | 54072030 | DYED WVEN FBRCS FROM STRIP/THE LIKE |
| | | | 54072040 | PRINTED WVEN FBRCS FROM STRIP/THE LIKE |
| 14 | 540769 | Woven fabrics of yarn containing $\geq 85\%$ by weight of mixtures of textured and non-textured ... | 54076900 | WOVN FBRCS CONTNNG 85% OR MORE BY WT OF OTHR THN NNTXTRD POLYSTR FLMNTS |

Annexure-III

| <p align="center">List of Technical Textiles Products (HS Code mentioned are indicative) (Final products list with 8 digit HS code level will be Notified along with Scheme Guidelines)</p> | | | | |
|--|----------|----------|---------------------|-------------|
| Sl. No. | Segments | Products | Indicative HSN Code | Description |

| | | | | |
|---|---------------------------|--|----------|---|
| 1 | Geo-textiles | Geo-grids | 56039400 | Non-woven -OTHER: weighing more than 150 g/m ² |
| | | Geo-nets | 54079110 | Other Woven fabrics: unbleached or bleached: unbleached |
| | | | 54077110 | Other Woven fabrics, containing 85% or more by weight of synthetic filaments: unbleached or bleached: unbleached |
| | | Geo-membranes | 54071099 | Woven Fabrics obtained from high tenacity yarn of nylon or other polyamides or of polyesters: other: other |
| | | | 54071019 | Unbleached other polyester fabrics |
| | | Geo-tubes/Geo-bags | 63059000 | Sacks and bags, of a kind used for the packing of goods of other textile materials |
| 2 | Agro- textiles | Shade-nets | 60059000 | Warp knit fabrics (including those made on galloon knitting machines), other |
| | | Mulch-mats | 56031200 | Nonwovens, whether or not impregnated, coated, covered or laminated weighing between 25 G/SQM and 70 G/SQM - manmade filament WGHNG>25g /sqm |
| | | Fishing nets | 56075010 | Nylon Fish Net Twine |
| | | Crop covers | 56031100 | Coated, covered or laminated nonwoven made from manmade filament with weight less than 25 g/ sqm |
| | | Turf protection nets | 56031300 | Coated, covered or laminated nonwoven made from manmade filament with weight between 70 to 150 G/ SQM |
| 3 | Medical/ Hygiene Textiles | Surgical Dressings, Bandages, wound care products | 59061000 | Adhesive Tape of A Width Not Exceeding 20 cm. |
| | | | 56012200 | Wadding; Other Articles of Cotton Wadding; Other (Of manmade fibres) |
| | | | 56012900 | Wadding Of Textile Materials And Articles Thereof; Textile Fibres, Not Exceeding 5 Mm In Length (Flock), Textile Dust And Mill Neps: Wadding Of Man-Made Fibres (other) |
| 4 | Defence Textile | Tents, Parachutes, collapsible textiles housing for military use | 63062200 | Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods tents: of synthetic fibres |
| 5 | Mobile Textiles: | Automobile Tyre cords | 56041000 | Rubber Thread And Cord, Textile Covered |
| | | | 56075020 | Nylon Tyre Cord |
| | | | 56075030 | Viscose Tyre Cord |
| | | | 59021010 | Tyre Cord Fabric Of High Tenacity Yarn Of Nylon Or |

| | | | | |
|----|--|---|----------|--|
| | | | | Other Polyamides: Impregnated With Rubber |
| | | | 59021090 | Tyre cord fabric Of nylon or other polyamides: Others |
| | | | 59022010 | Tyre Cord Fabric Of Polyester: Impregnated With Rubber |
| | | | 59022090 | Tyre cord fabric Of polyesters: Others |
| | | | 59029010 | Tyre Cord Fabric Of Others: Impregnated With Rubber |
| | | | 59029090 | Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polysters or viscose rayon: Others |
| 6 | Sports Textiles | Parachute fabrics/Ballooning fabric for sports use | 54071011 | Unbleached Parachute Fabrics |
| | | | 54071021 | Bleached Parachute Fabrics |
| | | | 54071031 | Dyed Parachute Fabrics |
| | | | 54071041 | Printed Parachute Fabrics |
| | | | 54071091 | Other Parachute Fabrics |
| | | Sailing cloth | 63061990 | Other Tarpaulins, Awnings And Sunblinds; Tents; Sails For Boats, Sailboards Or Landcraft; Camping Goods |
| 8 | Building/ Construction Textiles: | Wall coverings | 59050090 | Textile Wall Coverings: Other |
| | | | 59050010 | Textile Wall Coverings: Fixed On The Backing Of Any Material |
| | | Awnings & canopy | 63061200 | Tarpaulins, Awnings and Sunblinds etc.: Of Synthetic Fibres |
| | | Floor Coverings for special purposes such as fire retardant, fire resistant, chemical resistant, antistatic and dust resistant / and composite Board for train coaches. | 57032010 | CARPETS AND OTHER TEXTILE FLOOR COVERINGS, TUFTED, WHETHER OR NOT MADE UP, Of nylon or other polyamides; Carpets, carpeting and rugs |
| | | | 57033010 | CARPETS AND OTHER TEXTILE FLOOR COVERINGS, TUFTED, WHETHER OR NOT MADE UP, Of other man-made textile materials Carpets, carpeting and rugs |
| 9 | Specialty Fibres & Composites: | Nylon 66 | 54061000 | Man-Made Filament Yarn (Other Than Sewing Thread), Put Up For Retail Sale Synthetic Filament Yarn |
| | | Ultra High Molecular Weight Polyethylene | 54061000 | Man-Made Filament Yarn (Other Than Sewing Thread), Put Up For Retail Sale Synthetic Filament Yarn |
| 10 | Smart Textiles embedded with active devices for medical, defence and special uses. | | | Smart Textiles is a new generation niche product. Any Smart Textiles product will be a combination of varieties of wearable materials embedded with electronics. The description does not fit into any |

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|--|--|--|--|
| | | | particular HSN Code at present. A suitable HSN Code at 8-digit need to be created afresh for this product |
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