INDIAN TEXTILE SECTOR OVERVIEW

- Largest producer of cotton & 2nd largest exporter of cotton in the world
- 2nd largest producer of silk in the world
- Largest producer of raw jute and jute goods in the world, accounting for 50% of world production
- Highest loom capacity (including hand looms) with 63% of world’s market share
- Manmade garments remain the largest contributor to total textile and apparel exports from India, contributing 25.60% to total textile industry

Source: India Brand Equity Foundation (IBEF)
• Contributes 7% to industry output in value terms, 2% to GDP and 15% to India’s export earnings
• Textile exports during FY 2017 - 18 stood at USD 37.74 billion
• Print & Dye industry attracted FDI worth USD 2.82 billion (2000 - 2017)
• Accounts for 95% of the world’s hand-woven fibre

Textile Sector Composition

Handloom industry - 2nd largest source of employment
Textile sector employs 105 million people (both directly and indirectly)
70% of the workforce are women
Source: India Brand Equity Foundation (IBEF)

POLICIES & INITIATIVES BY MINISTRY OF TEXTILES, GOVT. OF INDIA

• 100% FDI allowed in Indian textile sector under automatic route
• Budget allocation to the Ministry of Textiles has increased by 14%

• TUFS - Technology Upgradation Fund Scheme
• SAATHI scheme - Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries

• Incentive rates revised from 2% to 4% for Readymade garments and Made ups under Merchandise Exports from India Scheme (MEIS)

• ‘Scheme for Capacity Building in Textile Sector (SCBTS)’ with an outlay of INR 1,300 crore (US$ 202.9 million) from 2017 - 18 to 2019 - 20

• Launch of India Handloom Brand
• Multi - Fibre Arrangement (MFA)
• Integrated scheme for silk industry development

Source: India Brand Equity Foundation (IBEF), Make in India
TAMIL NADU YARN BOWL OF INDIA
TEXTILE INDUSTRY ECOSYSTEM IN TAMIL NADU

PRESENCE ACROSS VALUE CHAIN IN TAMIL NADU

TEXTILE SECTOR OVERVIEW IN TAMIL NADU (1/2)

‘Yarn Bowl’ of India produces ~40% of total Yarn in India
Tirupur - ‘Knitting City’
Coimbatore - ‘Manchester of South India’

- 1st Rank in Production of Cotton Yarns
- 1st Rank in Export of Cotton Yarns
- 2nd Rank in Production of Blended Yarn

CONtributes 1/3rd of THE Textile business of India making it Textile Valley of India

Source: Policy Note on Textiles 2017 - 18
TEXTILE SECTOR OVERVIEW IN TAMIL NADU (2/2)

- Largest hub of textiles & garment in India
- Contributes to 20% of India’s total Export of Readymade Garments
- Home to more than half of India’s total textile mills
- Leading producer of Technical textiles
- Employs 35% of workforce in textiles sector constituting about 28% of total employment in India’s Textile & Garment sector

<table>
<thead>
<tr>
<th>Particulars</th>
<th>India</th>
<th>Tamil Nadu</th>
<th>Tamil Nadu %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textile Mills (Nos)</td>
<td>3400</td>
<td>2017</td>
<td>59.3</td>
</tr>
<tr>
<td>Spindles (mn)</td>
<td>52,47</td>
<td>24</td>
<td>45.74</td>
</tr>
<tr>
<td>Spun yarn (mn Kg)</td>
<td>5700</td>
<td>2003</td>
<td>35.14</td>
</tr>
<tr>
<td>Garment Unit (Nos)</td>
<td>13000</td>
<td>6500</td>
<td>50</td>
</tr>
<tr>
<td>Textile Export ($ Bn)</td>
<td>37.74</td>
<td>6.7</td>
<td>17.7</td>
</tr>
<tr>
<td>Hand/Power Processing Units (Nos)</td>
<td>10397/2510</td>
<td>2614/985</td>
<td>25.14/39.20</td>
</tr>
<tr>
<td>Power looms (lakh)</td>
<td>25.74</td>
<td>5.67</td>
<td>22.02</td>
</tr>
</tbody>
</table>

Source: Policy Note on Textiles 2017 - 18

LOOMS & OUTSTANDING CRAFTSMANSHIP OF TAMIL NADU

Overview of Handlooms
- 14 mini handloom clusters have been sanctioned by GOI
- 25 Common Service Centres (CSCs) are implemented at 25 locations of Block Level Handloom Cluster
- 2.44 lakh handlooms are functioning in 1,139 Handloom Weavers Co-operative Societies
- In 2017-18 the Handloom Weavers Co-operative Societies have produced 790.35 lakh metres of Handloom cloth valued at INR 695.50 Crores

Overview of Powerloom
- Ranks 2nd in India in owning number of powerlooms
- State has 5.67 lakh power looms (22%) of 25.74 lakh powerlooms in India

Mega Handloom Cluster
- 16 Block Level Handloom Cluster in Virudhunagar*
- 22 block Level Handloom Cluster in Trichy*

Source: GOI - National Handloom development program
* Sanctioned by GOI
TEXTILES & GARMENT EXPORTS FROM TAMILNADU

Textile Export Destinations from Tamil Nadu

Textile Export from Tamil Nadu

Textiles* exports from Tamil Nadu (USD billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>5.65</td>
</tr>
<tr>
<td>2013-14</td>
<td>6.69</td>
</tr>
<tr>
<td>2014-15</td>
<td>6.91</td>
</tr>
<tr>
<td>2015-16</td>
<td>6.65</td>
</tr>
<tr>
<td>2016-17</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Largest hub of textiles & garment in India, contributes 20% to India’s total Exports of Readymade Garments worth USD 6.7 billion

TEXTILE VALLEY OF TAMIL NADU

Coimbatore, Erode, Gobichettipalayam, Perundurai and Tirupur are the largest garment exporters in India and referred to as the ‘Textile valley’ of India

International Brands Sourcing from Tamil Nadu

- H&M
- Mothercare
- Nike
- Arrow
- FILA
- Tommy Hilfiger
- Superdry
- PUMA
- adidas
- GAP
- Marks & Spencer
INFRASTRUCTURE & FACILITIES
TEXTILE CLUSTERS IN TAMIL NADU

TIRUPUR
- Home to more than 6000 Textile units
- Exports and domestic turnover from Tirupur over INR 34000 cr

COIMBATORE
- Major yarn producing center of country
- Houses 2 CoE for Technical Textiles supported by GoI

MADURAI
- Known for fine quality of cotton textiles
- Famous for Chungidi sarees

CHENNAI
- Predominant Cluster for readymade Garments
- Port base helps to import/export raw material/finished textile goods

KARUR
- Hub of Home textile in South India
- City has thousands of exporters whose products are supplied to world’s leading chain stores

ROBUST INFRASTRUCTURE FOR MANUFACTURERS IN TEXTILE & APPAREL PARKS

INDIA’S FIRST INTEGRATED TEXTILE PARK - PALLADAM HI-TECH WEAVING PARK - IS IN COIMBATORE

- 13 Textile parks promoted at a project cost of INR 774.41 crore
- Textiles Processing Park in an area of 317 acres with INR 450 crores investment is being set up

PERUNDURAI
Great Indian Linens & Textiles

ERODE
Pallavada technical textile park

PALLADAM
Palladam Hi Tech weaving Park

TIRUPUR
Netaji Apparel Park

MADURAI
Madurai integrated textile park, Vadiapatti

CUDDULORE
SITMA Processing Textile Park

KANCHEEPURAM
Irunkattukottai Apparel park, Anna Silk Park

KOMARAPALAYAM
Komarapalayam Hi Tech Weaving Park

KARUR
Karur Integrated Textile park

NAMMAKAL
Cauvery Hi Tech Weaving Park
PIPELINE OF INFRA PROJECTS FOR MANUFACTURERS IN TEXTILE & APPAREL PARKS

- 13 Textile parks promoted by Government of Tamil Nadu at a project cost of INR 774.41 crore
- SIPCOT setting up a Textiles Processing Park in an area of 317 acres with INR 450 crores investment
- Eight textile parks under the scheme for Integrated Textile Parks (SITP)
- Two textile parks at Tirupur & Irungattukottai under the “Apparel Park for Exports Scheme”
- Four projects under the “Textile Centre Infrastructure Development Scheme”

TAMIL NADU - THE HUB OF TECHNICAL TEXTILES IN INDIA

COIMBATORE
- Agro-tech cluster
- Build-tech cluster
- Indu-tech cluster
- Medi-tech cluster

CHENNAI & THRIVALLUR
- Agro-tech cluster
- Build-tech cluster
- Indu-tech cluster
- Medi-tech cluster

KANCHEEPURAM
- Agro-tech cluster
- Build-tech cluster
- Indu-tech cluster
- Medi-tech cluster

MADURAI
- Indu-tech cluster
<table>
<thead>
<tr>
<th>Sector</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEO-Tech</td>
<td>Woven &amp; non-woven geo-textiles</td>
</tr>
<tr>
<td>HOME-TECH</td>
<td>Upholstery fabric, narrow width fabric for furniture, wadding, wipes, fiber foam &amp; fiber fill</td>
</tr>
<tr>
<td>BUILD TECH</td>
<td>Scaffolding net</td>
</tr>
<tr>
<td>MEDI-TECH</td>
<td>Non-woven disposables like apron, mask, caps, draper, etc</td>
</tr>
<tr>
<td>CLOTH-TECH</td>
<td>Narrow width fabric</td>
</tr>
<tr>
<td>AGRO-TECH</td>
<td>Agro shading net, packing net for agricultural produce etc.</td>
</tr>
<tr>
<td>INDU-TECH</td>
<td>Glass fiber battery separator, fusing belts, high mesh filters, industry felt, woolen felt, fire resistant fabric, slings for bulk handling</td>
</tr>
<tr>
<td>MOBIL-TECH</td>
<td>Interior carpets &amp; NVH components</td>
</tr>
<tr>
<td>OEKO-TECH</td>
<td>PP non-woven liners for land fill sites of MSW</td>
</tr>
</tbody>
</table>

**HUB OF TECHNICAL TEXTILES IN INDIA**

**Highlights**
- Technical textile units pre-dominantly situated circa Chennai & Coimbatore
- Centers of Excellences (COE) in Technical Textile by GoI - Meditech, a medical textile research centre and Indu-Tech - are in Coimbatore

**KEY TECHNICAL TEXTILE PLAYERS IN TAMIL NADU**

**AGROTECH**
- As Wan Fishnet Evergreen Rays

**MEDITECH**
- Glo Zife
- G.R. Pharma
- Prescot

**BUILDTECH**
- Bharat Textiles
- Hindustan Canvas
- Orient Canvas

**INDUTECH**
- Blended Textile
- Bharath Rubber
- Elgi Ultra

**SPORTECH**
- Esbee

**CLOTHTECH**
- Sri Vekatram
- V.S. Tapas
- Shakthi Vinagyasga

**INDUTECH**
- Blended Textile
- Bharath Rubber
- Elgi Ultra

**PACKTECH**
- Am Multi
- Salem Polypacks
- Sree Minakshi
INITIATIVES TAKEN BY GOVERNMENT OF TAMIL NADU

DEVELOPMENT OF SERICULTURE

- To develop post cocoon activities, Common Facility Centres (CFCs) being established having facility of reeling machines and other necessary equipment

- It is proposed to organize reares, spinners, reeles and weavers into SHG and clusters on prominent place in industrial areas, urban centre, district HQ, etc.

Brandining and Marketing of Handlooms produced in State

TRAINING & CAPACITY BUILDING

KEY INSTITUTIONS PROVIDING TRAINING IN TEXTILES

- National Institute of Fashion Technology (NIFT) in Chennai
- Footwear Design and Development Institute (FDDI) Kanchipuram
- Tamilnadu sericulture Training Institute, Hosur
- Apparel Export Promotion Council Skill Development Initiatives
- Skill upgradation Program at Block level Handloom clusters
- Decentralized training program with 24 weavers’ service centers and 13 power loom centers plus boards and councils
- Technical Textiles wing in association with Sardar Vallabhbhai Patel International School of Textiles and Management, Coimbatore

REASONS TO INVEST IN TEXTILE & APPAREL SECTOR IN TAMIL NADU

PRODUCTION

- Leading Player in the textile sector
- Opportunity available across value chain
- Largest Producer of Knitted yarn

INFRASTRUCTURE

- Enabling Infrastructure for Textile and Garment Manufacturing
- State has Many State of Art Textile & Apparel Parks
- Backward & Forward Linkages

CONNECTIVITY

- Excellent Connectivity - Only State in India with 4 International Airports Connecting Countries Worldwide
- Robust Road, Rail, Air and Sea connectivity
- Easily accessible to ASEAN Market through Sea route

SKILLED LABOUR

- High Literacy rate 80.33%
- Robust Training Infrastructure in Agri & Allied Sector
- Workforce participation rate stands at 45.6%; well above national rate of 39.8%
INVESTMENT OPPORTUNITY & POTENTIAL ACROSS TEXTILE VALUE CHAIN

Textile Sector
- Fibre, Yarn, Fabric
- Spinning, Weaving, Knitting
- Dyeing Processing & Finishing

Apparel & Garment
- Garments Manufacturing
- Home Textiles
- Garment ancillary

Textile Machinery
- Manufacturing of Customised Equipment for Domestic Market
- Presence of leading Textile machine manufacturers

Fibre Sector
- Natural Fibre (Cotton & Silk)
- Forward linkages with the processors
- Manmade Fibre (Organic & Inorganic)

Logistics & Supply Chain
- Storage & Transportation
- Suppliers & Distributors, e-commerce
- Freight Forwarders, Cargo

Other key areas
- Packaging & Barcoding
- Retailing
- Joint Research initiatives
- Training and Skill Development
GOVERNMENT SUPPORT TO INVESTORS INDUSTRIAL POLICY 2014
<table>
<thead>
<tr>
<th>Category</th>
<th>Investment Range (INR crores) (Area wise)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A Districts</strong></td>
<td><strong>B Districts</strong></td>
</tr>
<tr>
<td>(Chennai, Tiruvallur, Kancheepuram)</td>
<td>(Other than A &amp; C)</td>
</tr>
<tr>
<td><strong>C Districts</strong></td>
<td><strong>Southern districts</strong></td>
</tr>
<tr>
<td>Mega Projects</td>
<td>Above 500 - 1500 and creating an employment of 300 in 3 years</td>
</tr>
<tr>
<td></td>
<td>Above 350 - 1000 and creating an employment of 200 in 4 years</td>
</tr>
<tr>
<td></td>
<td>Above 200 - 500 and creating an employment of 100 in 4 years</td>
</tr>
<tr>
<td>Super Mega A</td>
<td>Above 1500 - 3000 and creating an employment of 400 in 5 years</td>
</tr>
<tr>
<td></td>
<td>Above 1000 - 2000 and creating an employment of 300 in 5 years</td>
</tr>
<tr>
<td></td>
<td>Above 500 - 1500 and creating an employment of 250 in 5 years</td>
</tr>
<tr>
<td>Super Mega B</td>
<td>Above 3000 - 5000 and creating an employment of 600 in 6 years</td>
</tr>
<tr>
<td></td>
<td>Above 2000 - 4000 and creating an employment of 400 in 6 years</td>
</tr>
<tr>
<td></td>
<td>Above 1500 - 3000 and creating an employment of 350 in 6 years</td>
</tr>
<tr>
<td>Ultra Mega</td>
<td>Above 5000 and creating an employment of 700 in 7 years</td>
</tr>
<tr>
<td></td>
<td>Above 4000 and creating an employment of 600 in 7 years</td>
</tr>
<tr>
<td></td>
<td>Above 3000 and creating an employment of 500 in 7 years</td>
</tr>
</tbody>
</table>

*Southern Districts* means the Districts of Theni, Dindigul, Madurai, Sivagangai, Ramanathapuram, Virudhunagar, Tirunelveli, Thoothukudi and Kanyakumari

**STANDARD INCENTIVES**

**CAPITAL SUBSIDY**

- Subsidy ranging from INR 30 Lakhs to INR 2.25 crores
- 50% additional subsidy for industries set up in SIPCOT Industrial Parks (other than Southern districts)
- For investments made in B & C category districts, an additional 10% & 25% subsidy for industries located outside the SIPCOT Industrial Parks

**STAMP DUTY CONCESSION**

- 50% to industries located in SIPCOT parks in A & B districts and 100% in the case of Southern Districts

**ENVIRONMENTAL PROMOTION INFRASTRUCTURE SUBSIDY**

- Subsidy of INR 30 lakhs or 25% of Capital cost whichever is less
- Apart from the above, Industries adopting Zero Effluent or Waste Water Discharge, Clean Development Mechanism and Emissions Trading Mechanism will be given a higher amount of subsidy

**ELECTRICITY TAX EXEMPTION**

- Period of exemption depends upon the quantum of investment and the employment criteria prescribed
Incentives for Industrial Promotion in Southern Districts

- Higher fiscal benefits
- SIPCOT will allot lands at 50% of the cost in its existing and new industrial parks
- SIPCOT will acquire & allot Land for new ventures in case SIPCOT Industrial parks are not available
- 50% exemption from Stamp Duty for land privately purchased by investors; 100% exemption in case of units in SIPCOT Industrial Parks
- 25% additional back ended capital subsidy; linked to investment and employment in the case of industries located outside SIPCOT Industrial Parks

Investment Promotion Facilitators - Key Contacts

**Tamil Nadu Industrial Development Corporation Limited (TIDCO)**
19-A, Rukmini Lakshmiapthy Road, Egmore, Chennai-600 008
Phone: 91-44-2855 4421
E-mail: cmd.tidco@nic.in
Website: www.tidco.com

**State Industries Promotion Corporation of Tamil Nadu (SIPCOT)**
19-A, Rukmini Lakshmiapthy Road, Egmore, Chennai-600 008
Phone: 91-44-2855 4787
E-mail: sipcot@md3.vsnl.net.in
Website: www.sipcot.c

**Tamil Nadu Industrial Investment Corporation Limited (TIIC)**
New no: 692, Anna Salai, Nandanam, Chennai-600 035
Phone: 91-44-2433 1203
Fax: 91-44-2434 7209
E-mail: ho@tiic.in
Website: www.tiic.org

**Tamil Nadu Urban Infrastructure Financial Services Ltd.**
19, T P Scheme Road, Raja Muthaipuram, Ramakrishna Nagar,
R A Puram Chennai – 600 028
Phone: 91-44-24643103
E-mail: md@tnuifs.com
Website: www.tnuifs.com

**Electronics Corporation of Tamil Nadu Limited (ELCOT)**
692, M.H.U. Complex, II Floor, Anna Salai, Nandanam, Chennai-600 035
Phone: 91-44-6551 2330
E-mail: secyit@tn.nic.in
Website: www.elcot.in

**Tamil Nadu Small Industries Development Corporation (TANSIDCO)**
Thiru Vi Ka Industrial Estate,
Chennai - 600 032
Phone: 91-44-2250 1461, 2250 1422, 2250 0185, E-mail: sidco@vsnl.com
Website: www.sidco.tn.nic.in