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10-12 companies to get first set of incentives for textiles PLI scheme

Decision comes after panel flagged funding 'shortfall' in 3 out of 14 sectors

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About 12 textile companies are set to receive the first set of incentive payment under the production-linked incentive (PLI) scheme.

“Around 40 companies have grounded investment. We had a gestation period till March 2024. We hope this financial year 10-12 companies will be getting incentive payout (under PLI),” a senior government official said on Friday.

The scheme was launched in 2021 to boost the domestic manufacturing of man-made fabric (MMF), garments and technical textiles, with a budgetary outlay of Rs 10,683 crore. The scheme, however, received a lukewarm response from private players.

The development is significant, considering that earlier this year a Cabinet secretary-led committee had also flagged the “shortfall” in progress in investment during 2023-24 in three, including textiles,

of the 14 PLI sectors.

The textiles ministry had first released the guidelines of the scheme in December 2021. However, the government received 64 applications with commitments worth approximately only Rs 6,000 crore. This was also because some players informed the government that they were not keen on investing in proposed textile categories due to lack of expertise.

MMF includes viscose, polyester, and acrylic, which are made from chemicals. Exporters say MMF accounts for a fifth of India's apparel export. Technical textiles, on the other hand, are a new-age sector that can be used for producing personal protective equipment (PPE) kits, airbags, and bullet-proof vests, and can be utilised in sectors such as aviation, defence, and infrastructure.

The textiles ministry has sought approval from the Cabinet for another PLI scheme for the textile sector, with focus on apparel. The budget for the scheme is expected to be Rs 4,000 crore, the unutilised funds under the scheme.

The second edition of the PLI scheme will have special emphasis on micro, small, and medium enterprises.

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