



Government of Madhya Pradesh

TEXTILE

Weaving millions of metres of joys



Madhya Pradesh Trade and Investment Facilitation Corporation Limited (MPTRIFAC)
AVN Towers, 192, Zone - I, M.P. Nagar, Bhopal 462011
Tel.: (+91) 755 4270246. Fax: (+91) 755 2559973. E-mail: facilitation@mptrifac.org
Website: www.investmp.com

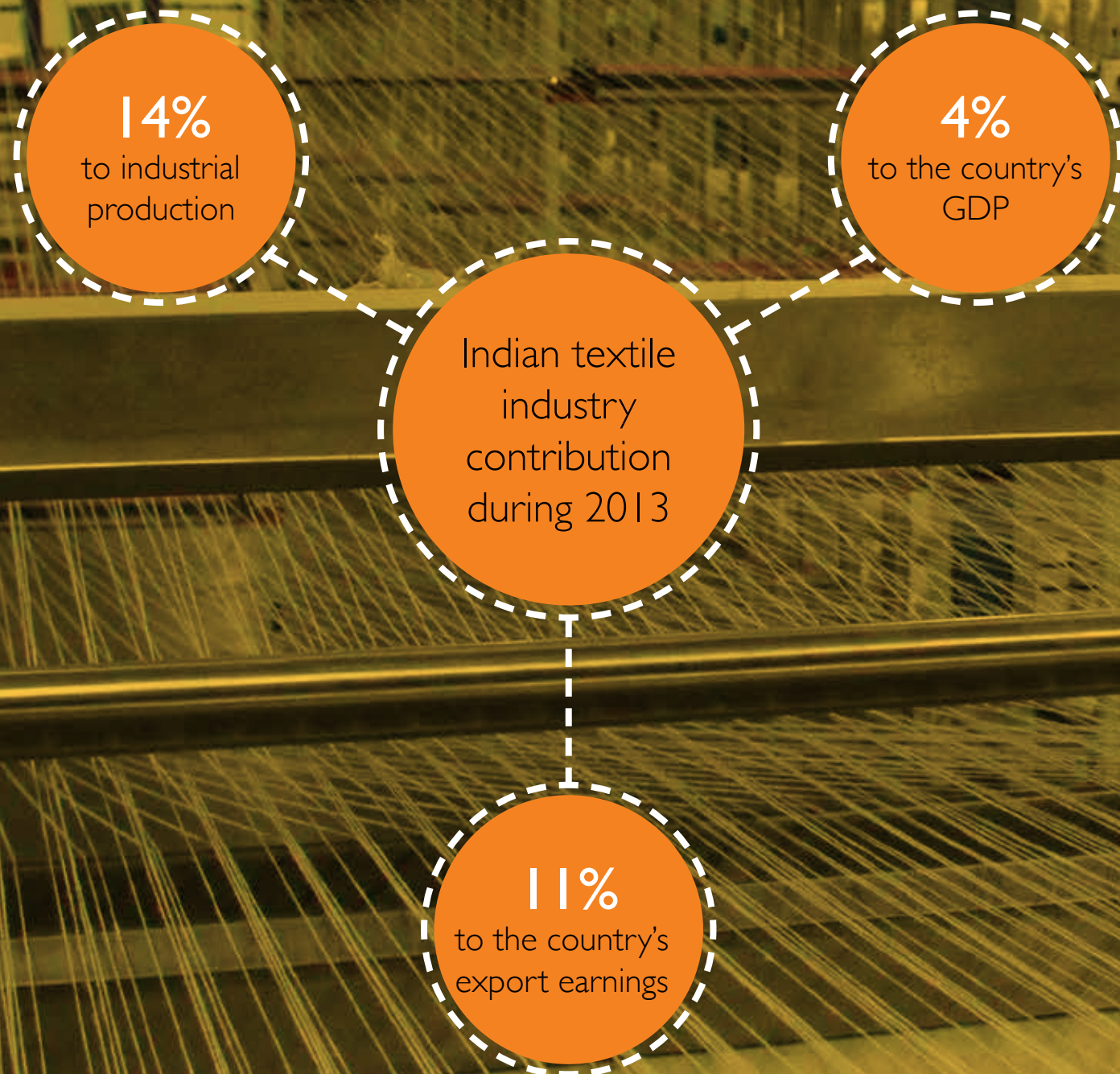


Content

- Textile Scenario in India
- Textile & Handloom Scenario in Madhya Pradesh
- Advantage Madhya Pradesh
- Major Players
- Investment Opportunities

Textile

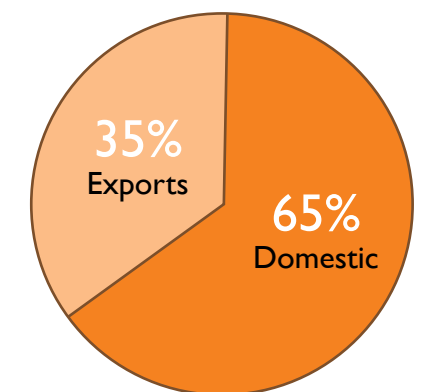
scenario in India
Key contributor to India's GDP



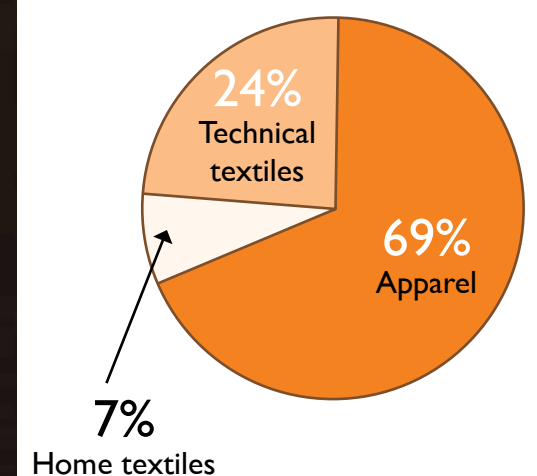
Indian Textile Industry set for a strong growth

- Leading sourcing hub in the global market
- 2nd largest cotton producer in the world
- 74% of the total textile exports include apparel and cotton textiles products
- Major export destinations
 - USA
 - Hong Kong
 - Saudi Arabia
 - Republic of Korea
 - Canada
 - Brazil
 - Turkey
 - Bangladesh
- Apparel exports from India is expected to increase to \$ US 82 billion by 2021
- Domestic textile and apparel industry in India is estimated to reach \$ US 141 billion by 2021

India's total textile and apparel market



Domestic textile and apparel market



Textile scenario in India

Key growth drivers of Textile sector

India has a strong presence across the textile value chain starting from fiber production to garmenting.

Abundant raw material

Wide range of natural and man-made fiber production

- 1st Jute Production
- 2nd Silk Production
- 2nd Cotton Production
- 5th Synthetic fibers and yarn

Availability of skilled and economical labour

- One of the most economical labour compensation
- Availability of skilled labour across the apparel supply chain

Government initiatives/policy support

- 100 percent FDI in textile sector
- Government setting up SITPs and Mega Cluster Zones
- Increasing loans under TUFS
- The Central Silk Board encourages farmers and private players to grow silk

Robust support industry

Big presence of support Industry:

- Accessory and Trim manufacturers
- Stitching and other related equipment manufacturers
- Yarn and fabric dyeing chemical manufacturers

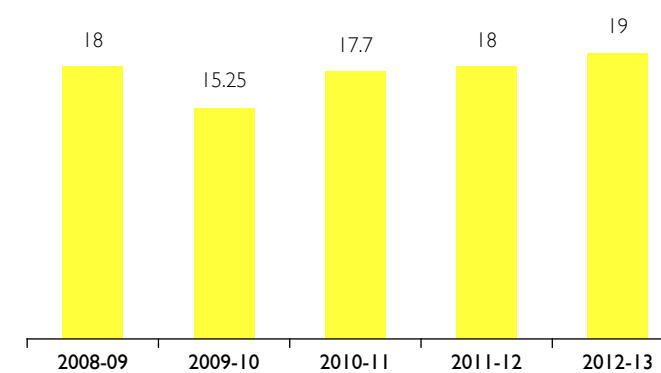
Growing consumer base

- Higher disposable income to drive textile demand
- Growing media influence/exposure
- Increased penetration of organised retail and favourable demographics

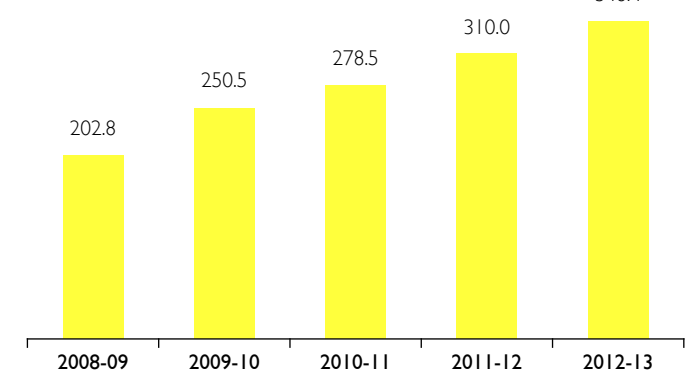
Textile & handloom

Scenario in Madhya Pradesh

Cotton Production in lakh bales of 170 kgs



Cotton Consumption by Textile Mills (in million kgs)



Source: Office of the Textile Commissioner, Mumbai, The Cotton Corporation of India Ltd.

- 5th largest cotton producing state in the Country with 19 lakh bales of production in 2012-13
- 5.2% of country's cotton is produced in Madhya Pradesh
- Rich tradition of weaving and knitting
- Madhya Pradesh has 45 textile mills that have created 3,10,000 combined jobs



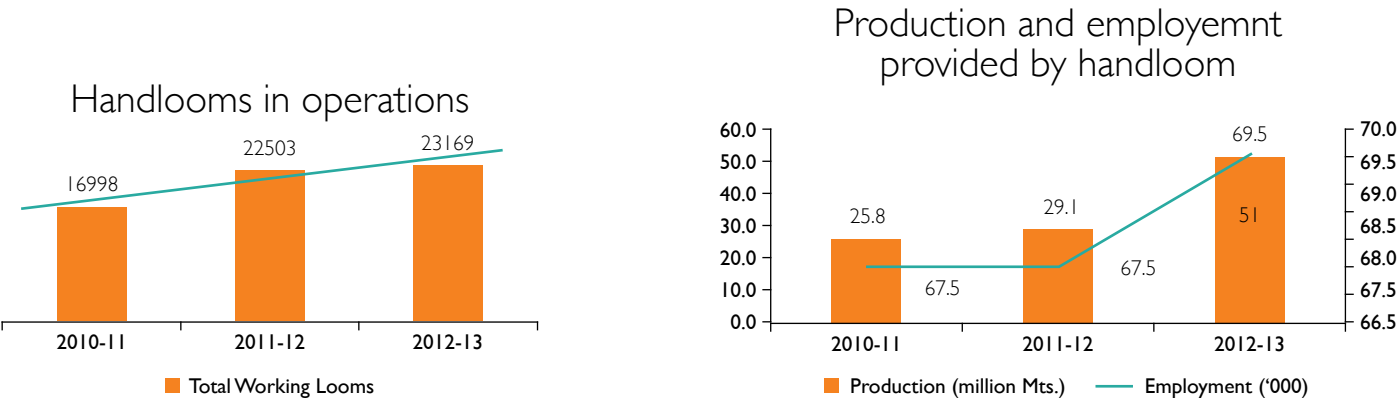
TEXTILE INFRASTRUCTURE IN MADHYA PRADESH	
Composite Mills	20
Exclusive weaving units	8
Export-oriented spinning units	12
Handlooms	47,000
Looms	6,500
Power Looms	43290
Power loom units	17524
Rotors	14348
Spindles	14,14,000
Spinning units	40

Source: Public Private Partnerships,MoF,Gol

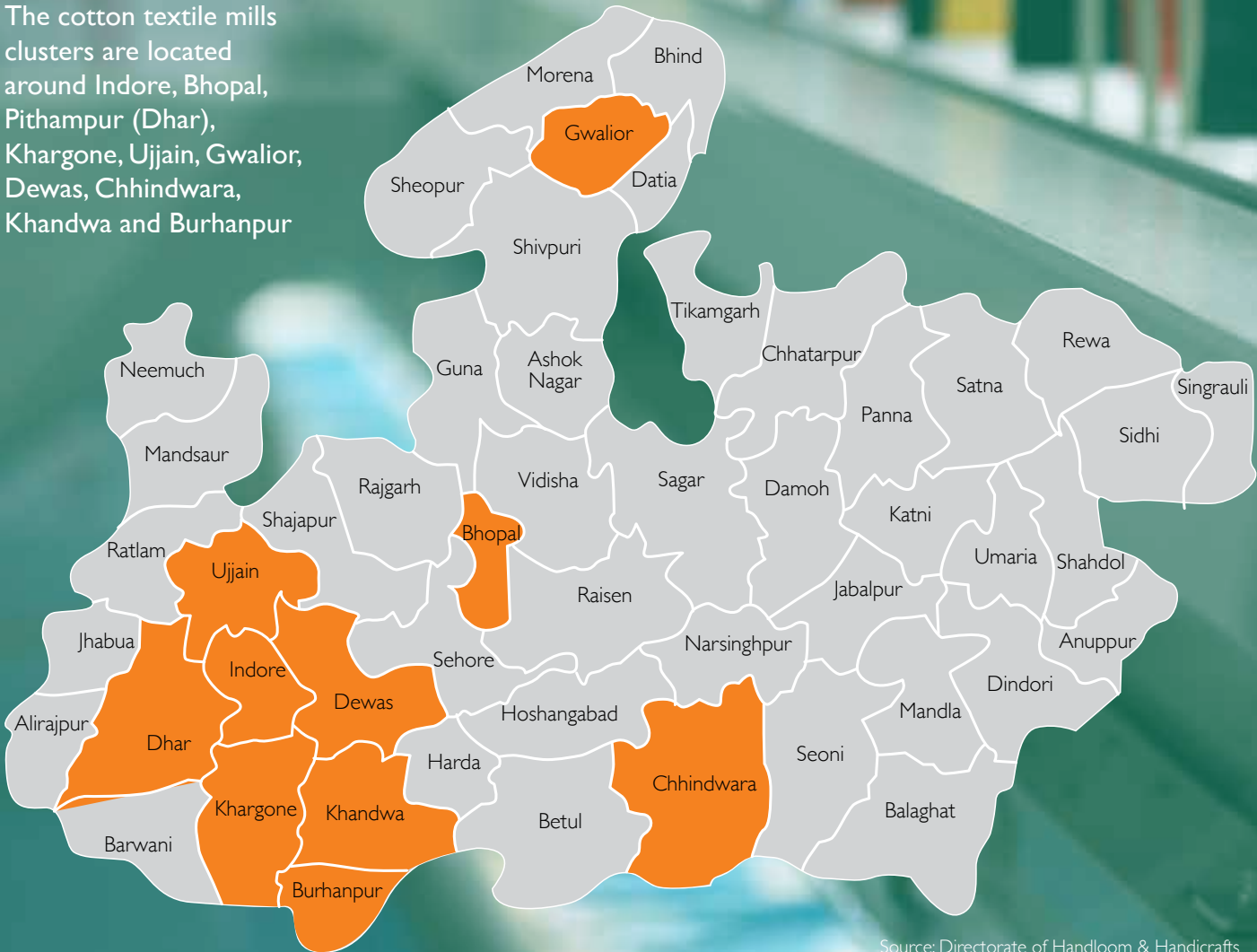
- An apparel park, implemented by M.P. Audyogik Kendra Vikas Nigam (Indore), is located in an area of 133.38 acres in the Indore SEZ
- Under the Textiles Centre Infrastructure Development Scheme, Indore is identified as a key region for infrastructure development
- Indore has a readymade garments cluster with more than 1,260 units
- CLC Textile Park is constructing an integrated textile park with state of the art facilities in district Chhindwara, Madhya Pradesh

District wise presence of prominent Handloom Clusters - 2012-13

- More than 45,400 weavers get employment in main clusters out of which 36% are women weaving workers
- Handmade sarees like Chanderi, Tussar and Maheshwari have a beautiful work of artistry
- Hand block printing (specially Bagh printing) with figurative motifs is a famous textile presentation from Madhya Pradesh

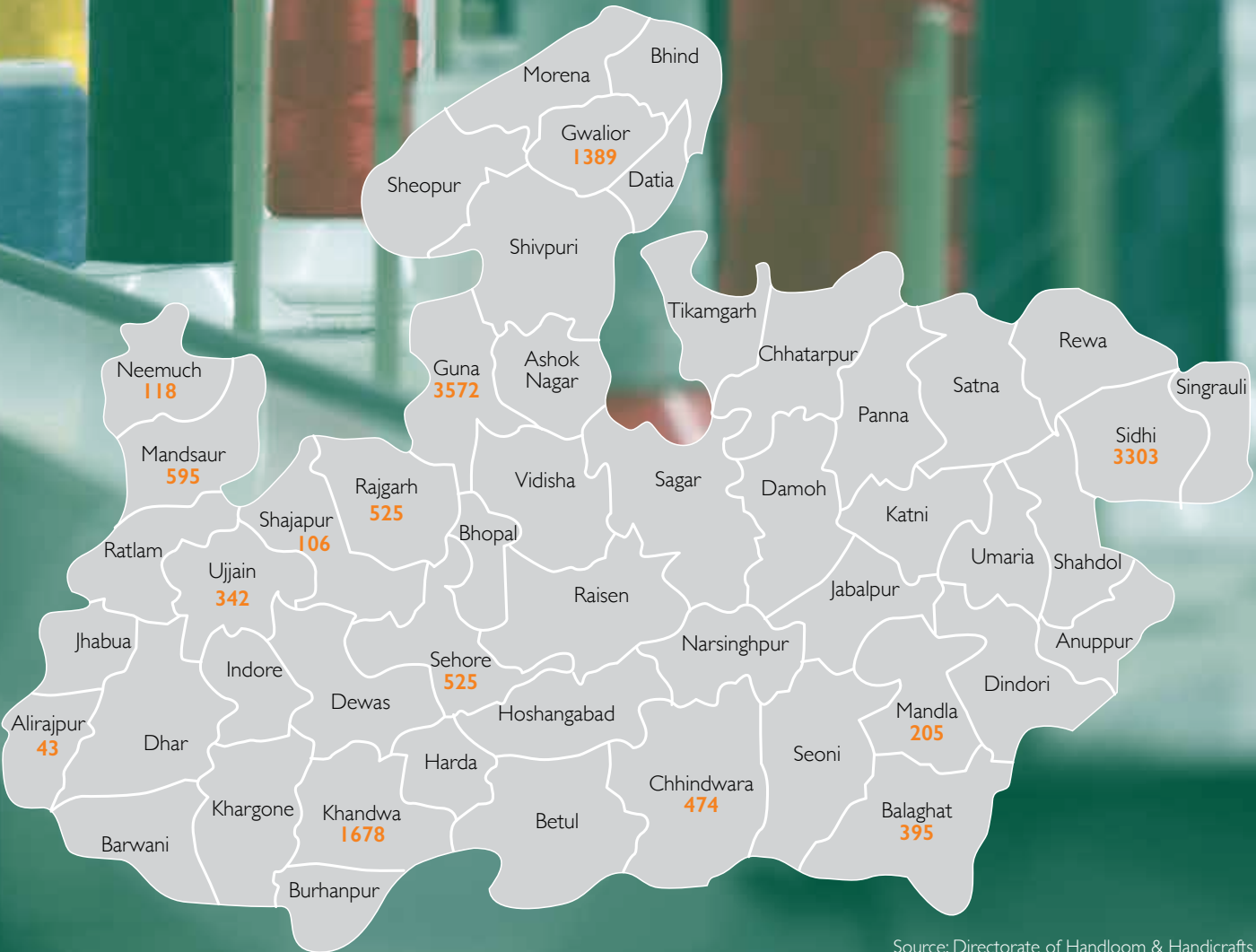


The cotton textile mills clusters are located around Indore, Bhopal, Pithampur (Dhar), Khargone, Ujjain, Gwalior, Dewas, Chhindwara, Khandwa and Burhanpur



Source: Directorate of Handloom & Handicrafts

DISTRICT WISE PRESENCE OF PROMINENT HANDLOOM CLUSTERS - 2012-13



Source: Directorate of Handloom & Handicrafts

Advantage Madhya Pradesh

Strategic Location

Well connected to key cities & consumer markets



Train Connectivity

- 425 trains pass through Madhya Pradesh daily
- 220 trains pass through the state capital Bhopal alone
- North-South and East-West corridors pass through MP

Road Connectivity

- 18 National Highways of 4,670 km cross MP
- State Highways of 10,249 km

Connectivity to Ports

- Convenient access to major ports such as Kandla Port, Jawaharlal Nehru Port Trust

Ease of Doing Business

Single Window Facilitator

- Online Single Window System for Investor Facilitation & Approval Monitoring

Investor Friendly Policies

- VAT and CST reimbursement
- Exemption from Entry Tax
- Exemption from Electricity Duty
- Concession on land for industrial development
- Interest subsidy

Incentives to Textile Projects in Madhya Pradesh

One of the most attractive packages for the investors

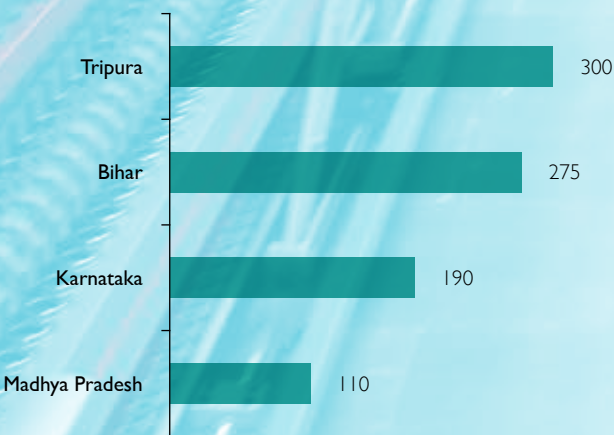
Viable early gestation

Provision for mitigation of risk

Land and skilled manpower availability

- Skilled manpower is available in the state for weaving, knitting and stitching
- Cost to company for human resources is cheaper by 30-35% in the state
- One of the most peaceful and labor productive states
- Man days lost over last 5 years is less than 1% of total available man days
- One of the lowest industrial land rates in India
- Second state in India to provide land for mega projects at 75% discount

Average daily wage rates (INR) for weavers (Men)



Source: Ministry of Labour & Employment, Gol

INCENTIVE	DURATION	DETAILS	REMARK
Interest subsidy	5 years	5% for standalone textile project, 7% for composite textile project without capping	Under Revised Special Package for Textile Industry, 2012
Industrial Investment Promotion Assistance Scheme (IIPAS)	8 years	<ul style="list-style-type: none">• VAT plus CST reimbursement with maximum ceiling of 100% investment in plant and machinery approved under TUFs scheme• Maximum assistance amount not to exceed net tax paid by the unit	Under Revised Special Package for Textile Industry, 2012
Entry tax exemption	Up to 10 years	From the date of first purchase of raw material	Under Industrial Promotion Policy, 2010 (as amended in, 2012)
Land concession for mega projects	-	75% rebate on prescribed premium <ul style="list-style-type: none">• Project cost INR 25 to 50 cr – 5 acres• Project cost INR 50 to 100 cr – 10 acres• Project cost INR 100 to 200 cr – 15 acres• Project cost INR 200 to 500 cr – 20 acres• Above INR 500 cr – area to be decided by Cabinet Committee on Investment Promotion	Under Industrial Promotion Policy, 2010 (as amended in, 2012)

Source: Directorate of Handloom & Handicrafts

Policy under review.

Advantage Madhya Pradesh

Incentives to Textile Projects in Madhya Pradesh

INCENTIVE	DURATION	DETAILS	REMARK
Industrial Investment Promotion Assistance Scheme (IIPAS)	Up to 14 years	Upto 100% of capital Investment made in the project. Under this scheme, projects would be eligible for Industrial Investment Promotion Assistance of 50% to 75% after adjusting the input tax rebate on the amount of value added tax (VAT) and central sales tax (CST) (excluding the amount of value added tax on purchase of raw materials) deposited by them.	Under Industrial Promotion Policy, 2010 (as amended in, 2012)
Financial Assistance on infrastructure development cost		15% Financial assistance on establishment of industrial parks with a limit of INR 5 cr. 50% assistance on expenditure on infrastructure development with a limit of INR 1 cr for large & medium units.	Under Industrial Promotion Policy, 2010 (as amended in, 2012)
Customised package-fiscal incentives		Mega projects having fixed capital investment of INR 25 cr. or more will be considered for customized package on case to case basis by Cabinet Committee on Investment Promotion	
The incentive package extended to mother units shall also be applicable to vendor units.			

Major players such as Century Textiles, Vardhman, Raymond and Grasim have operations in Madhya Pradesh

CENTURY TEXTILES AND INDUSTRIES LTD		<ul style="list-style-type: none"> The company's yarn and denim production units are located at Satrati, Distt. Khargone The company aims to expand its capacity by about 1800 tonnes per year by March 2014
GRASIM INDUSTRIES		<ul style="list-style-type: none"> The company's textile plant located at Malanpur manufactures worsted dyed yarn spun from pure merino wool along with polyester and other blend
VARDHMAN TEXTILES		<ul style="list-style-type: none"> The company's yarn manufacturing units are located in Mandideep (74,496 spindles), Satlapur (170,528 spindles) and Budhni (60,000 spindles) The Budhni plant has fabric weaving unit (400 looms) and a fabric processing unit with a capacity of 40 million meters per annum
RAYMOND LTD		<ul style="list-style-type: none"> One of the textile manufacturing plants of the company is located at Chhindwara The company has a capacity of 31 million meters
SEL GROUP		<ul style="list-style-type: none"> SEL has established a 'Spinning and Knitting Yarn' unit over an area of 287.55 acres in the Mehatwara village (Sehore district). The current capacity of the unit is 1.95 lakh spindles and permissions are being sought to add an additional capacity of 1.95 lakh spindles from the concerned departments
OTHER MAJOR PLAYERS		<ul style="list-style-type: none"> Parasrampur International Maral Overseas Nahar Spinning Mills Ltd Bhaskar Group Pratibha Syntex Trident Group Oswal Suryavanshi Spinning Mills Ltd.

Investor's Speak



"We are privileged to be associated with Madhya Pradesh. The state government's proactiveness and pro-investor approach has inspired us to set up the world's largest integrated textile manufacturing facility in Madhya Pradesh. It will be an honour for TRIDENT to be a part of Madhya Pradesh's industrial development."

Mr. Rajinder Gupta, Chairman, Trident Group



"I found it was a very attractive place to invest. And we would like to expand our presence in Madhya Pradesh."

Mr. S.P. Oswal, Chairman, Vardhman Group



Investment opportunities

Key Opportunities across the supply chain

Raw cotton Production

- Madhya Pradesh ranks 5th in terms of cotton producing State in the Country
- Cotton production of 19 lakh bales in the year 2012-13.

Ginning & Spinning

- Cotton textile clusters located around Indore, Bhopal, Pithampur, Khargone, Ujjain, Gwalior, Burhanpur and Dewas

Weaving & Knitting

- Weaving and knitting units can be explored**
- AREA**
- Malwa-Nimar region
 - Bhopal region
 - Chhindwara Distt. of Jabalpur region

Dyeing & Finishing

Processing of yarns and fabrics like dyeing of yarns and dyeing & printing of fabrics can be established

OTHER OPPORTUNITIES

- Equipment manufacturing such as dyeing, printing machines and dyeing chemicals etc

AREA

In and around of existing cotton producing units (Indore, Bhopal, Pithampur, Khargone, Ujjain, Gwalior, Burhanpur, Chhindwara and Dewas)

Garment Manufacturing & Finishing

Setting-up of apparel and readymade garment units
Garment accessory units such as embroidery, lace manufacturing, packaging units in the proximity of existing readymade garment and apparel parks such as Indore

AREA:

- Readymade garment park in Gadaipura-Gwalior:
- Indore, Bhopal and Jabalpur region

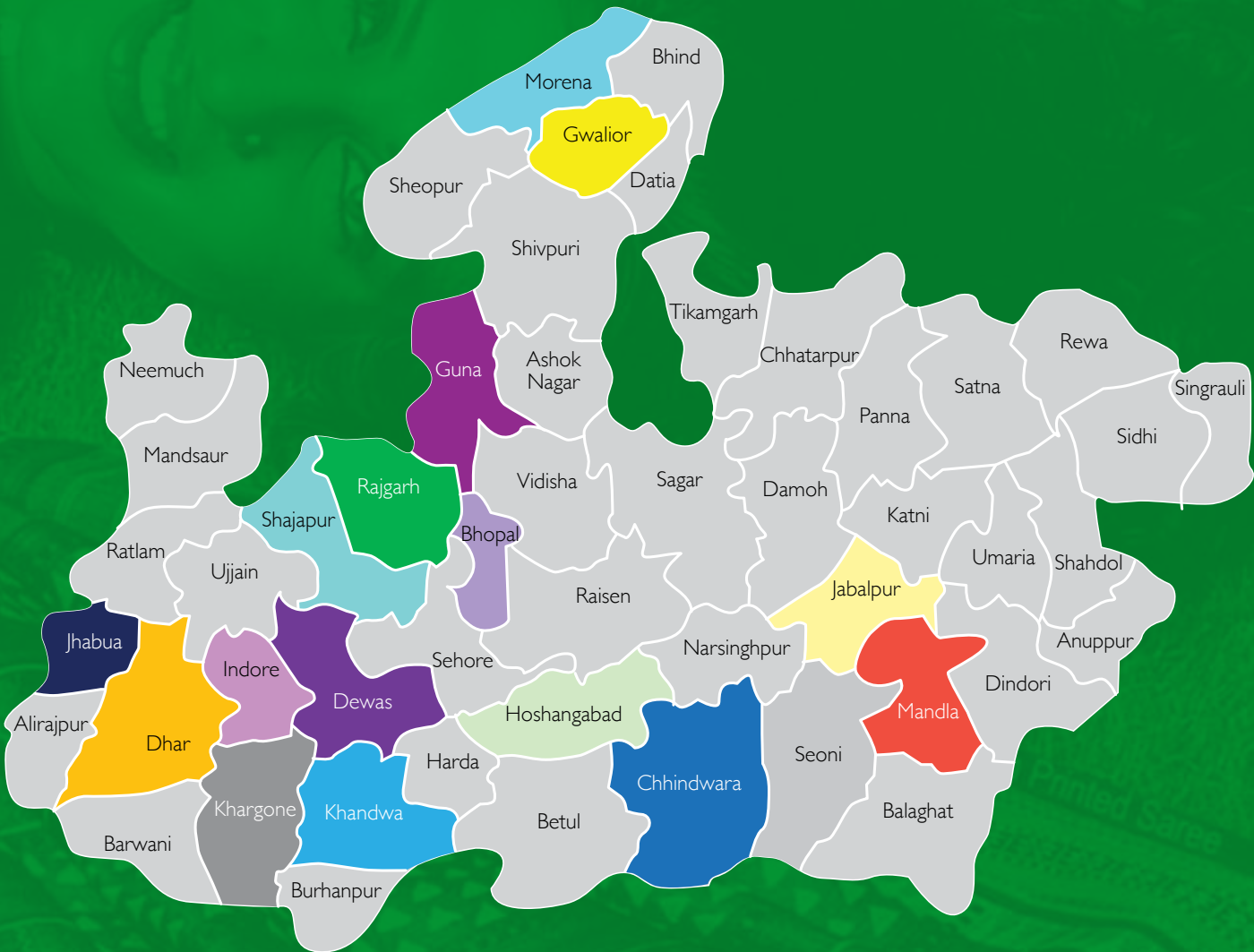
OPPORTUNITIES

Further great opportunities exist in the growing segment of technical textiles across the supply chain

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Investment opportunities

Major Land parcels available for Textile industry



Land in hectares

Dhar	Pithampur, Ujjaini	276
Bhopal	Acharpura, Bagroda	267
Hoshangabad	Babai	200
Khandwa	Rudhi Bhavasinghpura	149
Morena	Jaderua, Banmore, Pahari	140
Mandla	Maneri	120
Guna	Chainpura	97
Seoni	Burkalkhapa	87
Jabalpur	Hargarh, Umariya - Dungria	87

Dewas	Sirsoda	50
Rajgarh	Pilukhedi	45
Indore	Bijepur	45
Gwalior	Gadaipura	20
Jhabua	Meghnagar	10
Chhindwara	Boregaon	8
Shajapur	Maksi	6
Khargone	Nimrani	4

