

# Scheme Guidelines for Pilot Phase to set up Incubation Centers in Apparel Manufacturing

## **1. Background**

- 1.1 The textile industry is the second largest employer in the country and plays a pivotal role in the economic growth and development of the country. The industry contributes to 14% of the total manufacturing output contributing to 10.5% of export earnings and employs 35 million workers. The size of the Indian apparel market is estimated to be \$45 billion and it is expected to grow up to \$200 billion by 2025
- 1.2 Considering the potential of apparel sector to contribute to jobs and export earnings, the Government of India have been taking necessary measures to strengthen the apparel industry. For every Rs 1 lakh invested in the industry, an average of 7 additional jobs is created. Therefore, there is a need to promote the apparel manufacturing sector for creation of employment, increasing export earnings and provide fillip to the national economy
- 1.3 However, several constraints are faced by first generation entrepreneurs and start-ups in the apparel sector viz., lack of capital for investment in land, buildings and plant and machinery, limited access to finance, competition within the existing market and operational inefficiencies due to lack of trained manpower and poor market linkages.
- 1.4 In view of the above, there is need for creation of a holistic ecosystem that would boost entrepreneurship in the sector by systematically addressing the issues of lack of infrastructure and ecosystem linkages.
- 1.5 The textile parks established under the SITP Scheme would provide the right eco-system to develop, incubate and nurture entrepreneurs by providing (i) necessary infrastructure support and (ii) capacity building services and market linkages. This would allow the entrepreneurs to execute their ideas and deliver the products through a process that is operationally and financially viable.

## **2. Objective**

The main objective of Scheme is to create an integrated workspace and linkages-based entrepreneurial ecosystem for start-ups that is operationally and financially viable and increases the chance of success of start-ups and decreases the time and costs required to establish and grow a new business. The outcomes envisaged include:

- i. Promote entrepreneurship in apparel manufacturing
- ii. Create additional manufacturing capacity
- iii. Generate additional employment opportunities

The target of the scheme is to establish three incubation centres during the balance 12<sup>th</sup> plan period.

### 3. The Project

The Project is to establish an incubation facility in the textile parks. Each incubation centre shall have a maximum of 3 incubatees.

- (i) **Incubatees:** Incubatees shall be identified and selected from the following category of individuals:
- Degree/ Diploma holders of any discipline related to textile, apparel, fashion design etc.
  - First generation entrepreneurs
  - Designpreneurs
- (ii) **Incubation Period:** The period for each Incubatee shall be three years. It is envisaged that during this period the entrepreneur shall have acquired the capability and skills to independently operate his own venture.

The Project Implementing Agency (PIA) shall provide land for the project.

### 4. The Project Components

(a) The eligible components of the project inter alia other things include the following:

(I) **Component I: Infrastructure Support**

- i. **Plug & Play Factory Building** – Ready to use plug & play factory building with a total built-up area not exceeding 45,000 sq ft (@ 15,000 sq ft per incubatee), which can either be spread over three levels (G+2) or over a single floor. This shall comprise of operations area, packing, office, store, workers' amenities, display, etc.
- ii. **Plant and Machinery** : comprising of minimum 100 stitching machines along with ancillary machinery per incubatee

(II) **Component II: Capacity Building Support and Linkages**

- i. Training support for 200 workers per Incubatee. The training shall be carried out for 3 months in accordance with the norms of the Integrated Skills Development Scheme (ISDS) of the Ministry of Textiles
- ii. Training on Entrepreneurship Development to the incubatee for 1 month
- iii. Training on Product Design and Development services to the incubatee
- iv. Support to Market Linkages through exposure visits by participation/visit 3 domestic exhibitions (atleast 1 per year) and a visit to an international fair.
- v. The assistance provided by Ministry to support the capacity building and market linkages per Incubatee is enumerated below: