PLI Scheme for Textile Sector

Overview

- The PLI Scheme for Textiles targets production of MMF (Man-Made Fibre) apparel, MMF fabrics, and Technical Textiles. The original approved outlay remains at ₹10,683 crore.

- The scheme aims to promote large-scale investment, boost manufacturing capacity, integrate global value chains, and create jobs.

Key Recent Amendments (Effective from 1 August 2025)

1. Lower Investment Threshold:
   - New applicants: Part-1 investment reduced from ₹300 crore to ₹150 crore;

   - Part-2 reduced from ₹100 crore to ₹50 crore.

2. Relaxed Turnover Growth Norm:
   - Incremental turnover requirement lowered from 25% to 10% annually from Year 2 onward.

3. Expanded Eligible Products:
   - Inclusion of additional HSN codes for MMF apparel and MMF fabrics.

4. Flexibility in Business Structure:
   - Applicants may now establish project units under existing companies without creating a new entity.

Current Status (Late 2025)

- Application window for new participants extended till December 31, 2025.
- 74 companies approved as beneficiaries.
- Committed investment: ₹28,711 crore.

Implications

- Reduced investment thresholds increase accessibility for mid-sized manufacturers.
- Expanded product list encourages diversification.
- Structural flexibility simplifies compliance
- Extended deadlines increase participation and capacity expansion.