



Apparel Export Promotion Council



Starter Kit for New Apparel Entrepreneurs

A Beginner's Guide



- Section A - About Apparel Sector of India
- Section B - How to start your RMG export business
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Section A - About Apparel Sector of India

Apparel sector is very vital sector for India's exports. It contributes 6.5% of India's All commodity exports and 46.1% in India's Total Textile & Apparel export. Apparel exports is the third largest commodity exported from India and provider of highest no. of employment after Agriculture.

Global trade of apparel is US\$ 442.8 bn. in 2016. India is the sixth largest exporter of apparel in world and its contribution in the global apparel trade in 3.8% in 2015. India exported apparels worth USD 16.96 bn in 2016.

India's biggest apparel market is EU. India apparels exported worth US\$ 6169.3 mn. in 2016, EU contributes to 36.4% in India's total apparel exports.

India's apparel to US is highest in terms of specific country. India exported apparels worth US\$ 3820.1 mn. in 2016 which comprises 22.5% in India's total apparel exports.

Why invest in Textile & Apparel Sector of India?

- The largest producer of cotton yarn.
- India is the sixth largest exporter of garment worldwide
- Employment to 51 million people directly and 68 million people indirectly.
- Fibre production is 9 million Tonnes expected to reach 10 million Tonnes in 2017-18.
- Fabric production expected to grow to 69 billion by 2017-18.
- With 47 Million Spindles and 0.75 Mn Open End Rotors, we have the world's second largest spinning capacity
- We produce over 4700 Mn. Kgs spun yarn
- Handloom weaving is the richest & most vibrant aspect of the Indian cultural heritage. It engages 77% women and 23% male weavers.
- India is the largest producer of jute, the second largest producer of cotton and silk and among the largest producers of wool across the world.
- From traditional block printing to modern rotary, we do all kinds of printing
- Innovation in pattern making and design, with minimal wastage, is our forte
- From hand embroideries like Zardozi and Chikankari to computerised multicoloured embroidery, we do it all!



From Pattern to Finish, From Pret to Couture... we make all kinds of garments **Strengths of the apparel sector in India**

- Capacity to undertake customized and flexible-small quantity orders
- Enough availability of workers. RMG sector is the largest employment provider in manufacturing sector. Apparel sector provides 11.22 million jobs, (24.83%) of total employment in textile sector
- Capability in producing value added garments, involving embroidery & handwork.
- Strong, Innovative and Creative Design Capabilities. Presence of the entire value chain in India-from fibre to apparel manufacturing
- Strong, Innovative and Creative Design Capabilities
- State of the art machinery & technical know how
- Compliant manufacturing plants
- Most advanced tools & techniques
- Ability to work with all kinds of fabrics- all natural & synthetic fabrics including Handspun, Handwoven, Machinewoven/Blends, with Lycra, Tencel, Lurex among many others



Section B - How to start your RMG export business?

Registration of Firm

First and foremost, you must have a business setup. It is recommended that you open a sole proprietorship in the initial stage with an attractive name and logo.

Obtain a PAN card for the business

Permanent Account Number (PAN) is a ten-digit alphanumeric number, issued in the form of a laminated card, by the Income Tax Department. Once you have received the required registration, it is mandatory to have a PAN card issued by the Income Tax Department.

Link - <http://www.incometaxindia.gov.in/>

Open a current account

After receiving your business registration and PAN card, you need to open a current bank account with any commercial bank exclusively for your business.

REGISTRATION UNDER GST

1. For units with existing registration under central excise/service tax/VAT as the case may be, migrate to the GSTN. Obtain ID and password from the central excise/service tax/VAT department if not already received so far. Migration would not be possible unless you have the ID and password assigned to you by the department.
2. Apply for new registration (if you are not already registered under central excise/service tax). Before applying for registration declare your PAN, mobile no., E-mail, state or UT in PART A of Form GST REG-01. On successful verification of above particulars a temporary reference no. shall be generated by the system and communicated to the applicant on the said mobile no. and E-mail.

Using the said reference no. submit electronically an application in PART B of FORM GST REG-01. If everything is in order the registration shall be granted within 3 working days of date of submission of the application. If certain clarifications are sought by the proper officer the same should be submitted by you within 7 working days. In that case the registration may be granted within 7 working days of the receipt of clarification. If the proper officer fails to take any action within 3 working days of submission of application or 7 working days of receipt of



clarification, as the case may be, the registration is deemed to have been approved. The certificate of registration shall be made available on the common portal in FORM GST REG-06 showing principal place of business and additional places of business.

3. GSTIN - In GST regime, the Import Export Code has been replaced by PAN / GSTIN. GSTIN would be used for credit flow of IGST paid on import of goods. Therefore, GSTIN would be the key identifier. DGFT in its Trade Notice No. 09 dated 12.06.2017 has stated that PAN would be the Import Export code (IEC). However, while PAN is identifier at the entity level, GSTIN would be used as identifier at the transaction level for every import and export. Further, in scenarios where GSTIN is not applicable, UIN or PAN would be accepted as IEC. It is advised that all importers need to quote GSTIN in their Bills of Entry in addition to IEC.

The Goods and Services Tax Identification Number shall be assigned to you is unique for each state. Apply for separate state wise registration if you have units in more than one state. Separate registration for multiple business verticals within a state/UT is also possible at your option. If you have units in SEZ or you are an SEZ developer, apply for a separate registration as a business vertical distinct from other units located outside SEZ. You should display your registration certificate in a prominent location at your principal place of business and at every additional place of business. You should also display your GSTIN on the name board exhibited at the entry of your principal place of business and every additional place of business.

4. File Entrepreneurship Memorandum at DIC (Optional)

Although not mandatory, you may File Part I of Entrepreneurs Memorandum to the District Industries Centre. This may be necessary for claiming certain incentives / subsidies and for certain formalities at the state level.

5. Permissions Required at the Construction Stage

- Application for plot/shed, offer letter, payment of earnest money deposit
- Allotment of plot/shed, payment of balance occupancy price, taking over possession thereof
- Application for issuance of NOC/SSI registration
- Execution of Lease Agreement
- Application for grant of connection for construction water
- Application for grant of connection for construction power



6. Post Construction Clearances

- Building completion/ Drainage completion/ Tree plantation certificate
- Permission for mortgage
- No objection certificate from Pollution Control Board
- Final fire clearance
- No objection certificate from Environment Department
- Industrial safety permit
- Sanction of permanent power
- Sanction of permanent water and sewerage connection

7. Employee's Provident Fund

- Applicable for establishments employing 20 or more persons and engaged in industry notified under Section 6 of Act.

For more details - http://www.epfindia.com/site_en/

8. Employees State Insurance (ESI) Scheme

- The Act is applicable to non-seasonal factories employing 10 or more persons. The Scheme has been extended to shops, hotels, restaurants, cinemas including preview theatres, road-motor transport undertakings and newspaper establishments employing 20* or more persons.

For more details - <http://www.esic.nic.in/index.php>

9. Obtaining the Registration cum Membership Certificate (RCMC) of AEPIC.

To become a member of AEPIC, following documents are required under Foreign Trade Policy, may be submitted at any of the AEPIC offices.

- I. Application form as enclosed may be downloaded from website (www.aepcindia.com)
- II. A self-certified copy of the IEC issued by the licensing authority (DGFT) concerned.
- III. An Undertaking on non-judicial stamp paper duly notarized.
- IV. A self-attested Copy of Memorandum & Articles of Association / Partnership deed / Certificate of Registrar of firm etc. as the case may be.
- V. In case exporter wants to be registered as Manufacturer exporter, self-attested copy of SSI Certificate/Letter of intent/Industrial Licence/Acknowledgement issued by the concerned Authority.



OR

Submit self-attested copy of Factory Licence issued by a State Govt. Employee State Insurance Certificate issued by the concerned authorities and Employees Provident Fund Registration Certificate issued by the concerned Provident Fund Commissioner along with a certificate of Chartered Accountant certifying that based on the documents produced before him by the applicant exporter, the unit under consideration is manufacturing the readymade garments.

- VI. DD/Pay order/Cheque of Rs.10350/- (including service tax) in favour of Apparel Export Promotion Council payable at the place of submitting the application for registration .i.e. entrance fee, Annual Subscription (for one year) & Apparel India Magazine (12 issues) (including service charges)

For membership of AEPC e-mail to smalhotra@aepecindia.com or visit AEPCs website www.aepecindia.com for more information.

10. Compliance checklist

A startup running as a private limited company has to follow a number of compliances as laid down by various statutes and other regulatory bodies. These include but are not limited to periodic filing of tax and other returns, holding board and other meetings, maintaining statutory books and accounts etc. The manufacturer has to follow the following compliances:

- I. Social Compliance: Units are advised to be aware of the basic compliance requirements in the workplace which aim at safe, secure and healthy workplaces for the workers and cordial environment in the factory. Some of the basic social compliance requirements are proper ventilation and lighting in the shop floor, proper storage of chemicals, proper signages for exits and safety instructions, proper storage of equipments and their maintenance, good ergonomics for lighting for ensuring workers are not fatigued, regular training & orientation to workers on right and responsibility, maintaining proper records and paying timely salaries.

Units working with foreign buyers and brands need to be aware of the specific code of conduct of the clients, which can include higher specific norms for work place floor plans (with strict fire safety plan and exit plans) and toilets, crèche facilities, demonstrating transparency in wage fixation and pay outs through good record keeping, timely payouts of PF, ESI, formation of welfare committee and Internal Complaints Committees, etc. The manufacturer is advised to refer to Code of conduct of buyers/brands to ensure better planning.



- II. Environmental Compliance: It requires the relevant NOC's from fire dept., ensuring proper waste water disposal, fulfilling air pollution norms, general work place sanitation, ventilation, and chemical storage norms. Many countries like EU have detailed regulation like REACH regulation on use of banned chemicals which the manufacturer should take care of as the penalties for non adherence may include cancellation of order or high penalties.

Given the importance of sustainability, it is advisable that the manufacturer should look into related sustainability issues while planning for life cycle management of products used, using better energy alternatives, energy optimization technique, reducing wastage and landfills, better water usage and monitoring etc. The manufacturer is advised to refer to Sustainability reports of brands to ensure better planning.

- III. Economic Compliance: Refer to the requirement of fulfilling all tax obligation, meetings and registration as required by relevant authorities besides fulfilling all documentation norms.

11. Find below a brief overview of the documentation and formalities to be observed and become tax and law compliant.

Non-compliance can attract penalties and may also bring an end to business in extreme cases.

Note: The below checklist is applicable for private limited companies, particularly Small Companies with paid up capital of upto Rs. 50Lakh or having annual turnover in last year below Rs. 2Cr.

The compliances can be categorized as below

- Registrar related Compliance
- Non Registrar compliance



12. Registrar related Compliance

<p>Appointment of Auditor (E-form ADT-1)</p>	<p>* First Statutory Auditor has to be appointed within 30 days of incorporation in first board meeting</p> <p>* Subsequent auditors will be appointed for 5 years in AGM.</p>	<p>Form ADT -1 is filed for 5 -year appointment. After that every year in AGM, Shareholder ratify the Auditor but there is no need to file ADT-1.</p>
<p>Holding Board Meeting</p>	<p>* First meeting within 30 days of incorporation</p> <p>* Minimum 2 meetings, one in each half calendar year.</p>	<p>Minimum gap of 90 days is required between 2 meetings (ignore if more than 2 meetings held during the year)</p>
<p>Holding Annual General Meeting(AGM)</p>	<p>One AGM</p>	<p>Maximum gap of 15 months between 2 AGMs</p>
<p>E- Forms Filing Requirements</p>	<p>E-form: MGT -7 File Annual Return within 60 days of holding of AGM for the period 1st April to 31st March.</p>	
	<p>E-form: AOC -4 File Financial Statement: i.e Balance Sheet along with Statement of Profit and Loss</p> <p><small>Account and Director Report</small></p>	
	<p>Form MBP- 1 Every Director of the Company in First Meeting of the Board of Director in each Financial Year needs to disclose his interest in other entities by filing the form</p>	<p>Fresh MBP -1 needs to be filed, whenever there is change in his interest from the earlier given MBP-1</p>



	<p>Form DIR – 8 Every Director of the Company in each Financial Year has to file with the Company disclosure of non-disqualification</p>	
<p>Directors' Report</p>	<p>Directors' Report is to be filed covering all the information required for Small Company under Section 134.</p>	<p>It should be signed by the "Chairperson" authorized by the Board, where he is not so authorized by at least 2 Directors.</p>
<p>Statutory registers and books of accounts</p>	<p>1)Statutory Registers 2)Minutes Book * Board Meeting Minutes Book * General Meeting Minutes Book (i.e. AGM, EGM, Postal Ballot, Creditors Meetings, Debenture holders Meetings) 3)Books of Accounts/Financial Statements(section 44aa) 4)Register of Directors Attendance at Board/Committee Meetings.</p>	
<p>Circulation of Financial Statement & other relevant Docs</p>	<p>Company will send to the members of the Company approved Financial Statement, Directors' Report and Auditor's' Report at least 21 clear days before the Annual General Meeting.</p>	

Note: Above mentioned Compliances are mandatory yearly compliances for the Small Private Limited Company. Except above compliances, there may be event-based compliances for the Small Company.





Other Statutory compliances of such private limited companies revolve around periodic filing of tax and other returns, maintenance of books under Income tax Act and other statutes as applicable etc. The compliance requirement differs on case to case basis depending upon nature of business, product or service provided, volume of turnover etc.

13. Find below a list to compliances applicable in most cases:

- Payment of periodic dues (GST Liability, TDS & TCS payment)
- Filing of GST periodic returns –
- Filing of GST
- Assessment of advance tax liability and payment of advance tax periodically
- Filing of Income Tax Returns (Tax will be payable at a flat rate of 30% plus Education Cess)
- Filing of Tax Audit Report
- Regulatory Assessment of business under different acts of law (Eg. Environment and Protection Act, Money Laundering Act, Competition Act, Factory Act etc.)



Section C - Setting up of Garment Factory

Project Cost

In order to know how much money is to be invested you have to prepare the cost of the project. Rent, capital investment, salary of the staff, EMI if there is a loan are the key factors in preparing the project cost. You can also include the finance required for purchase of raw materials and other sundry expenses. You have to prepare cash flow statements at least for a year to avoid financial crisis.

Identify the Location: Identifying the location is very vital in garment industry. The location of garment factory should have easy access to the raw material, manpower, good infrastructure etc. Many states are offering attractive policy and financial support for setting up new units. From capital subsidy for investment to wage assistance, skill development assistance and dormitory support, many states are offering attractive policies to promote apparel industry in the state, given the employment opportunities the sector provides.

Highlights of the policy support provided by select states is available at AEPC website at http://www.aepcindia.com/system/files/publications/state_policy_comparison_28.05.17.pdf

It is recommended that for new units, please check the facilities / policy support being provided by the various states. Details of the policies and any updates may be checked from the website of the respective states.

Size of the Factory:

The size of the factory depends on the investment. In apparel industry size of the factory depends upon the number of pieces produced.

Select the Product

When you think about how to start a garment factory, the first and foremost thing that comes to your mind will be the nature of items that is to be made first. If you are interested in making-shirts, you need not try to manufacture woven items like shirts and trousers at the same time. You will have to cut short the product profile to avoid mess.

Number of Machines

Now you have estimated your production requirement as per the size of the factory. If you have the idea about production figure and type of the product it will be quite easy to calculate the number of machines and the requirement of other accessories. (Refer Annex 1 for an estimate)



Type of Machines

As per your products and production size type of machines and number of machines to be purchased may be planned. It is advised that you make the list of essential machines and other accessories like pressing tables, cutting room machines, diesel generator for power back up and other equipment and furnishings.

Scheme:

Amended Technology Upgradation Fund Scheme (ATUFS) aims to provide 15 percent subsidy on capital investment, subject to a ceiling of 30 crore rupees for entrepreneurs over a period of five years.

For Applying the ATUFS follow the link below:

<http://itufstxcindia.gov.in/Login.aspx?ReturnUrl=%2f>

Facility Layout and Design:

Facility layout and design is an important component of a factory's overall operations, both in terms of maximizing the effectiveness of the production process. The basic objective of layout is to ensure a smooth flow of work, material, and information through a system. The basic meaning of facility is the space in which a business's activities take place. The layout and design of that space impact greatly how the work is done—the flow of work, materials, and information through the system.

Manpower availability:

The Ministry of Textiles has special schemes for facilitating availability of skilled manpower for the apparel manufacturing.

You may look at the ISDS scheme, in place for the apparel industry since 2013 - <http://ministryoftextiles.gov.in/sites/default/files/ISDSguidelines-July2013.pdf>



Section D - Training & Development of Human Resource

A start up can avail of the various training and human resource development options available and trainings provided by various skilling organizations. Some examples of trainings offered by Apparel Training and Design Centers (ATDCs) the educational arm of AEPC are :

1. Training of Sewing Machine Operators (SMOs) (under various Central / State Govt. schemes).

- This initiative hands-on course is designed for imparting the knowledge and basic sewing skills to take up either on entry level assembly line job or as 'make through tailor' in domestic sector.
- Sewing Machine Operator refers to all the activities involved in creating a finished garment from the beginning to the end.
- Practices health and safety in industry i.e. select, use, maintain & store tools Equipments & Clothing safely
- Understand their roles & responsibilities towards manufacturing Good Quality Garment.
- Learn the process sequence and "Skills" involved in operations of Sewing a Basic Garment.
- The training is imparted more through support Practical Work keeping an essential Theory.
- Upon successful Completion of this course the Candidate will be eligible to perform sewing/ tailoring operation successfully.
- By completing this course Participants will become familiar with the Industrial Sewing Machine, Measurement, Shaping, Patterns, Garment Making, Estimation of materials and Maintenance of the Machine.
- The learning process is supported through Digital Council Content supporting face-to-face training by faculty member

Apart from skill training a self-development (soft-skills/ life skills) module is included in training modules for complete Mental and Physical development of trainees.



LEARNING MODULES

COMMUNICATION

Communicating effectively and assertively, understanding verbal and non-verbal communication

PROBLEM SOLVING & DECISION MAKING

Making informed decision, finding the middle ground, perceiving problems as opportunities

TIME & STRESS MANAGEMENT

Prioritizing tasks, setting goals, finding personal time

WATER , SANITATION & HYGENE

Understanding the importance of access to clean water, health sanitation practices, and personal hygiene for improved health and safety for women

EXECUTION EXCELLENCE

Applying new skills in the workplace

GENERAL & REPRDOUCTIE HEARLTH

Understanding health risks and healthy practices

The centerpiece of the P.A.C.E. program is 65-80 hours of module-based instruction focused on building women's life and professionals skills.

Once workers complete the life skills modules, they are given the opportunity to participate in enhanced technical skills training.

FINANCIAL LITERACY

Opening a bank account, managing personal finances, budgeting, savings plans

LEGAL LITERACY& SOCIAL ENTITLEMENTS

Understanding laws and social programs

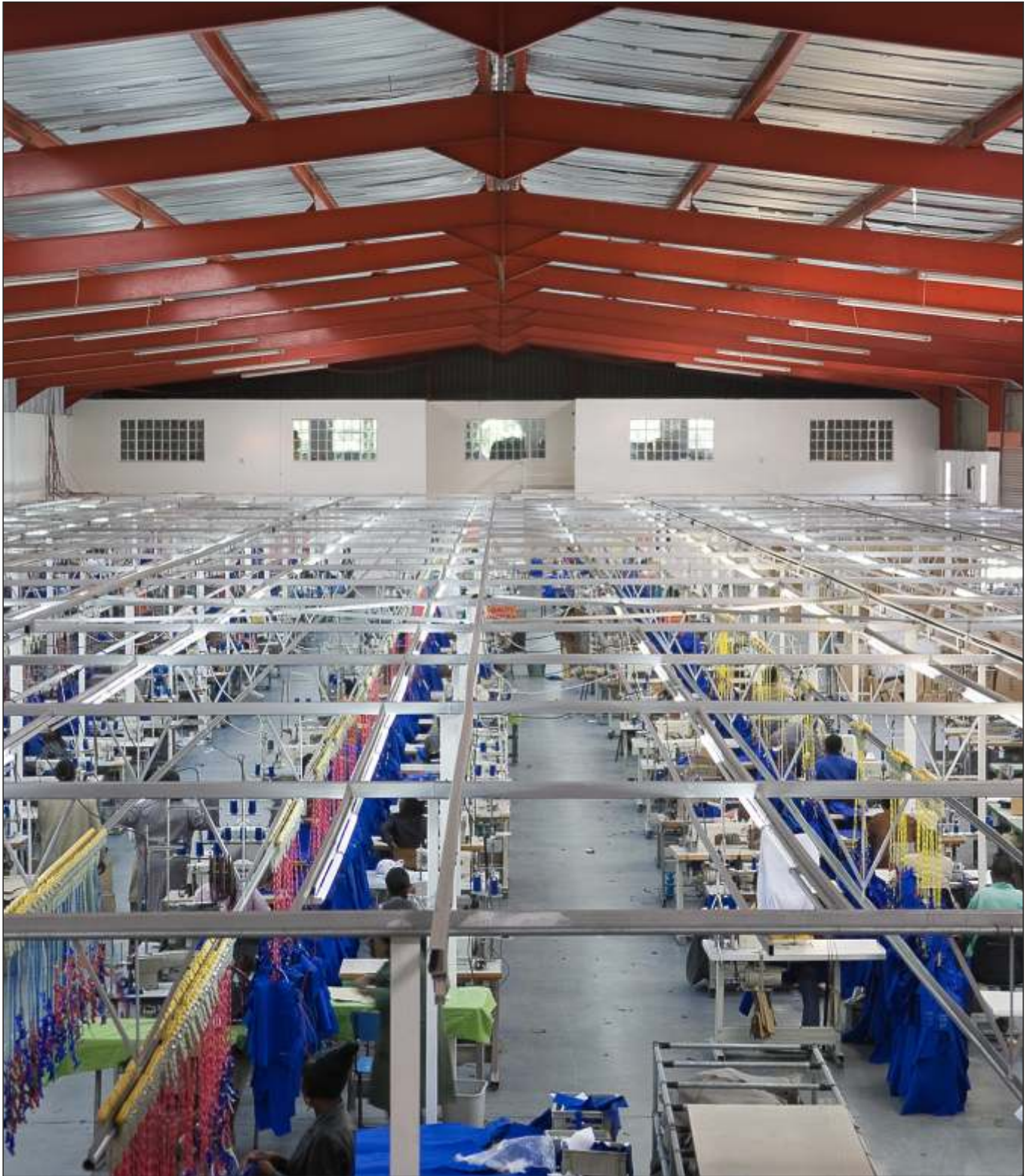
GENDER ROLES AND SAFETY & SECURITY

Integrated across all modules

FUNCTIONAL LITERACY

Operational, depending on participants literacy level







2. Training of Trainers (ToT) for the factories.

Faculty upgradation Programmes | Bringing Innovation & Latest Technology Know-how to the Industry

ATDC has been systematically upgrading the training infrastructure, pedagogy and content of industry relevant curricula. The system had realized the need for high-quality trainers who would make marked difference in building –up sound quality of the training programmes which will differentiate ATDC among the competitors as well as the minds of potential candidates.

The Academies conduct Industry Oriented Intensive Training Workshops to upgrade the skills of both ATDC faculty resources and Industry Personnel in the Apparel Sector. The JUKI Technology Centres in both Gurgaon & Bangalore helps to give access to latest state-of-art technology to the faculties.

Investment in training of Human Resources and developing the skill inventory is very important for retention of workforce which is a challenge for the Industry. ATDC's 3 Training of Trainers' Academies in Gurugram (NCR), Thiruvananthapuram (Kerala) and Chhindwara (MP) offer training for developing skills according to the specific and rapid changing needs of Apparel Industry which can be either product specific or process specific in different areas covering- Man, Machine, Material and Process.

ATDC-ToT Academies do conduct a wide range of 3 Tier Training Programs –

- Level 1 Refresher/Skill Up-gradation Training Programs
- Level 2 Skill and Knowledge Enhancement Programs
- Level 3 Advance Intensive Training Programs (including Programs with International Experts).

The ATDC-ToT Academy can conduct Customized Training Programs for Industry Personnel across various domains related to Shop Floor Skills, Material Management, Industrial Engineering and Advance Programs on 'LEAN Management' and Personality Enhancement etc.



For Instance:

LEVEL 1: REFRESHER/SKILL UP-GRADATION TRAINING PROGRAMS
Illustrative list only
Machine Mechanic Program
Product Specialty- Shirts, Trouser etc
Product Specialty-Knitwear Manufacturing
Product Specialty- Trouser Training
Basics of Garment Production Systems
Basics of Quality Control
Pressman
Layer Man
Fashion Designer
Inline Quality Checker
Garment Construction Techniques
Pattern Making/Grading
Export Documentation

LEVEL 2: SKILL AND KNOWLEDGE ENHANCEMENT PROGRAMS
Illustrative list only
'Machine Maintenance Training'
Quality Management/garment performance standards
Production Planning & Control (PPC)

LEVEL 3: ADVANCE INTENSIVE TRAINING PROGRAMS
Illustrative list only
Increasing Efficiency
Work Study/Time Study
Lean Manufacturing Practices
'Sewing Training and Engineering'
'Sustainability in the Textile and the Clothing and Higg Index'
'Principles of Textile Testing'



The Academy has developed Trainer's Manuals also in different languages along with more than 4 hours of Digital Contents, Soft Skill Modules, which follow the “Blended Learning” Approach and bring standardization and efficiency to Delivery Methodologies.

The Training of Trainers can also be specially asked to conduct direct RPL Certification by Apparel Made Ups & Home Furnishing Sector Skill Council (AMH-SSC).

3. Special workshops in new Technology areas including making of attachments, work-aids and areas like Industrial Engineering (IE), 'Lean Management' etc.

Refresher courses for Supervisory and Managerial Cadre:

Special Customized Bridge Courses include:

Due to variance of Skill levels and areas of knowledge to be catered following 5 step process is followed

1. The factories would be analyzed for the key areas of problems that need attention with the help of Unit in-charges.
2. Skill matrix is prepared for the participants
3. Analyze the skill gaps specific to the area which require Upgradation
4. Accordingly, Short term 'Bridge Courses' is customized and offered.
5. Depending on the number of hours required for Training, a reasonable Training cost is worked out.

• **Following Topics will be included according to the 'diagnostic' report after pre- workshop analysis**

1 Lay out planning, Man and material movement, 5S

2 Raw material Planning, planning WIP, EOQ, JIT

3 Methods of performing tasks and process, Work study, Method Study

4 Work study, setting the process / line assembly/ batch in the sewing operation.

Ensure process for accuracy of input and output with regards to interdepartmental movement, vendor movement, incoming material and outgoing material, Developing SOP, Kaizen, MIS5

• **Knowledge of identifying Stitching defects and handling defects**

• **Plan Quality Check Points and Control Limits NACERAP,**

5 IKSHVAKU Techniques, Poke yoke

• **Quality management, Standards & Specifications, Statistical Quality Control-AQL, TPM**

• **Zero Defect Zero Effect Approach, Preventive Measures.**



4. "Recognition of Prior Learning" (RPL) training programmes for existing workforce.

(www.atdcindia.co.in)

"RPL is a process whereby people are given recognition for the skills and knowledge that they have acquired through their work experience and not by undergoing any formal Educational/professional Degree or Diploma for that. It provides an opportunity to already employed Workforce and to upgrade their skills and get certified."

It gives "formal credits to the learning regardless of where the learning was achieved".

5 Steps RPL Process:

- EOI is taken from different interested Apparel Manufacturing Units.
- Job Role are identify for which RPL has to be done.
- Pre-Screening of the candidates for Skill gap analysis.
- 12 hrs. Orientation is given including domain & platform skills
- Assessment is conducted by assessment body nominated by SSC.
- Certificate is done is produced according to the grade achieved in the assessment.



Section E - Opportunities available with garment exporters

Exploring international Markets

At the beginning of your export you should target the right market. Like for RMG export EU, USA and UAE are the biggest market. To facilitate the garment exporters in exploring international market, AEPC organizes BSM and participate in Garment Fairs across every corner of the world.

Proposed AEPC EVENT CALENDER from 2017 - 2018 may be checked from AEPC website at <http://www.aepcindia.com/events/201709>

India's Top 10 Markets for garment exports is given below:

India's Top 10 RMG Export Destination						
S. No.	Country	Exports in USD Mn.		% Change	% Share	
		2015-16	2016-17		2015-16	2016-17
	World	16989.5	17479.0	2.88	100.0	100.0
	EU	6268.7	6117.1	-2.4	36.9	35.0
	Top 10	13099.4	13513.6	3.2	77.1	77.3
1	U ARAB EMTS	3423.8	3961.5	15.7	20.2	22.7
2	U S A	3862.0	3766.0	-2.5	22.7	21.5
3	U K	1802.4	1638.5	-9.1	10.6	9.4
4	GERMANY	1113.0	1151.8	3.5	6.6	6.6
5	FRANCE	830.7	780.4	-6.1	4.9	4.5
6	SPAIN	741.5	753.4	1.6	4.4	4.3
7	SAUDI ARAB	315.2	462.4	46.7	1.9	2.6
8	NETHERLAND	380.3	397.9	4.6	2.2	2.3
9	ITALY	380.0	372.4	-2.0	2.2	2.1
10	CANADA	250.6	229.2	-8.5	1.5	1.3

Source: DGCI&S, Kolkata, 2017

For participating in the above events or for any further information related to events, you may write to rksharma@aepcindia.com.



Exploring the products opportunities: Choose the right product for right market. India's major of apparel product of exports are Knitted T-Shirts of cotton and other textile material, Shirts of cotton, Women shirts and blouses of MMF and cotton, Women dresses of cotton, Babies garments, shawls, scarves etc.

India's Top 10 RMG exports products are given below:

India's Top 10 RMG Product Exports							
S. No.	Product code	Product label	In USD Mn.		% Change	% Share	
			2015-16	2016-17		2015-16	2016-17
					RMG	16989.5	17479.0
		Top 10	7926.3	7768.3	-2.0	46.7	44.4
1	610910	T-SHIRTS ETC OF COTTON	1768.5	1733.4	-2.0	10.4	9.9
2	610990	T-SHIRT ETC OF OTHER TEXTILE MATERIALS	1022.0	1072.6	5.0	6.0	6.1
3	620520	MEN'S OR BOYS' SHIRTS OF COTTON	912.8	885.6	-3.0	5.4	5.1
4	620640	BLOUSES,SHIRTS ETC OF MAN-MADE FIBRES	783.5	649.5	-17.1	4.6	3.7
5	611120	BABIES'GARMENTS ETC OF COTTON	613.7	648.1	5.6	3.6	3.7
6	621143	OTHER GARMENTS OF MAN-MADE FIBRES	576.6	610.7	5.9	3.4	3.5
7	620630	BLOUSES,SHIRTS AND SHIRTS-BLOUSES OF COTTON	636.2	593.9	-6.6	3.7	3.4
8	620443	DRESSES OF SYNTHETIC FIBRES	557.1	543.7	-2.4	3.3	3.1
9	620442	DRESSES OF COTTON	549.7	525.8	-4.4	3.2	3.0
10	621490	SHWLS,SCRVS ETC OF OTHER TXTL MATERIALS	506.2	505.1	-0.2	3.0	2.9

Source: DGCI&S, Kolkata, 2017

For international market and products related details you may contact to advisorcc@aepcindia.com or wagqas@aepcindia.com



Participating in Indian Exhibitions and Fairs – For new enterprises, it is recommended to initiate their marketing through domestic fairs where there is good footfall of international buyers. India International Garment Fair (IIGF), supported by AEPC is one such fair where 316 participants and 1162 buyers and 228 buying agents visited in the last edition. You can participate in India's largest garment fair IIGF which held biannually to promote the garment industry from India. India International Garment Fair is India's largest garment show in South Asia, covering Apparel and Fashion Accessories; encompassing a vast exhibition area of around 17256 square meters. The objective is to showcase latest garment and fashion accessories trends shaping up to increase the RMG exports from India to various countries of the world. Major products showcased in the fair are Women's wear, Accessories, Kids wear, Men's wear.

Held twice, during January and July a year to display the Autumn/winter and Spring/Summer collections respectively, IIGF is a feasible option for new enterprises to understand the market situation, buyers expectations and product profiling needed to enter the global markets.

For participating in the fair you may write rbhatnagar@aepecindia.com or visit to www.indiaapparelfair.com.





Section F - Schemes for Start Ups - Startup India

Brief about the Scheme

Startup India is a flagship initiative of the Government of India (launched January 2016), intended to build a strong eco-system for nurturing innovation and Startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower Startups to grow through innovation and design. In order to meet the objectives of the initiative, Government of India announced Startup India Action Plan that addresses all aspects of the Startup ecosystem. With this Action Plan the Government hopes to accelerate spreading of the Startup movement: The Action Plan is divided across the following areas:

- Simplification and Handholding
 - Funding Support and Incentives
 - Industry-Academia Partnership and Incubation
- i. Scheme Objectives: The Action Plan is based on three pillars – Simplification and handholding, funding support and incentives, industry-academia partnership and incubation. Following are the 19 Action Points under the Startup India initiative:

Simplification and handholding

- Compliance Regime based on Self-certification
- Startup India Hub
- Rolling out of Mobile App and Portal
- Legal Support and Fast-tracking Patent Examination at Lower Costs
- Relaxed Norms of Public Procurement for Startups
- Faster Exit for Startups

ii. Salient Features:

- Easier access to funds for Startups
- Easier compliance norms for Startups
- Simpler regulations to help Startups register and stay in India
- Easier access to infrastructure and mentorship through wider industry-academia collaboration

iii. Funding support and incentives

- Providing Funding Support through a Fund of Funds with a Corpus of INR 10,000 crore



- Credit Guarantee Fund for Startups
- Tax Exemption on Capital Gains
- Tax Exemption to Startups for 3 years
- Tax Exemption on Investments above Fair Market Value
- Organizing Startup Fests for Showcasing Innovation and Providing a Collaboration Platform

iv. Coverage & Eligibility: For coverage and eligibility under the scheme, an entity shall be considered as a 'Startup' -

- Up to five years from the date of its incorporation/registration,
- If its turnover for any of the financial years has not exceeded Rupees 25 crore, and
- It is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

For more details on policy support and funding visit official website of Govt of India at <http://dipp.nic.in/> and <http://startupindia.gov.in/>

Make In India Investment facilitation Cell of Ministry of Textiles

<http://texmin.nic.in/sites/default/files/MakeInIndia-Investment%20Facilitation%20Cell.pdf>

Foreign Direct Investment Policy in Textiles

Indian textile and apparel industry is one of the largest in the world with US\$ 19 billion of export and US\$ 30 billion of domestic textile and apparel during 2006-07 (P). The industry has, over the years, contributed significantly to national output, employment and exports. At present, industry accounts for about 14% of our total industrial production and contributes to nearly 15% of total exports. It provides direct employment to about 35 million people and another 56 million are engaged in allied activities. The textile export has registered a growth of 10 percent to 19.24 billion during 2006-07 (P) from US\$ 17.85 billion during 2005-06. The Industry has a potential to reach a size of US\$ 85 billion by 2010. With its consistent growth performance and abundant cheap skilled manpower, there are enormous opportunities both for domestic and foreign investors to make investments in textile sector in India.

India has most liberal and transparent policies in Foreign Direct Investment (FDI) amongst emerging countries. India is a promising destination for FDI in the textile sector. 100% FDI is allowed in the textile sector under the automatic route. FDI in sectors to the extent permitted under automatic route does not require any prior approval either by the



Government of India or Reserve Bank of India (RBI). The investors are only required to notify the Regional Office concerned of RBI within 30 days of receipt of inward remittance.

Ministry of Textiles has set up FDI Cell to attract FDI in the textile sector in the country.

Objectives of FDI Cell :

- To provide assistance and advisory support (including liaison with other organizations and State Governments);
- To sort out operational problems;
- Maintenance and monitoring of data pertaining to domestic textile production and foreign investment.

Enquiries can be made to:

Economic Adviser/Economic Division, Room No. 550, Ministry of Textiles, Udyog Bhawan, New Delhi-110011.

Phone: +91-11-23061380



Annexure 1

Capital Requirement Estimates:

Below is an indicative list of machinery and capital requirement for manufacturing of basic women's top.

Presuming that a start up will start with a limited production capacity, with provision for expansion after testing the market, the below machinery list is provided as a illustrative case, for production of 10,000 pcs per month :

MACHINERY REQUIREMENTS FOR RMG FACTORY				
S. NO	PARTICULARS	QTY.	RATE	AMOUNT
1	INDUSTRIAL SEWING MACHINE-FITPACK SINGLE NEEDLE LOCK STITCH MACHINES COMPLETE MODEL FP-8900	35	15500	₹ 5,42,500
2	INDUSTRIAL SEWING MACHINE-FITPACK HEAVY DUTY SINGLE NEEDLE LOCK STITCH MACHINES COMPLETE MODEL FP-8900	10	18000	₹ 1,80,000
3	STANDARD MAKE-5 THREADS OVERLOCK MACHINES COMPLETE	2	25000	₹ 50,000
4	DOUBLE NEEDLE FEED OFF THE ARM MACHINE COMPLETE WITH MOTOR	1	60000	₹ 60,000
5	FRONT PLACKET SEWING MACHINE COMPLETE WITH MOTOR MODEL-1404 PSF	1	60000	₹ 60,000
6	BUTTON HOLE MACHINE AND BUTTON SEWING MACHINE	1	15000 0	₹ 1,50,000
7	DOUBLE NEEDLE LOCK STITCH MACHINE SPLIT BAR COMPLETE WITH MOTOR	1	40000	₹ 40,000
8	STRAIGHT KNIFE CUTTING MACHINE-8" 750 WATT	3	20000	₹ 60,000
9	STEAM IRON PRESS	5	2000	₹ 10,000
10	SPOT REMOVER GUN	2	2500	₹ 5,000
11	STEAM IRON PRESS FOR FUSING	1	25000	₹ 25,000
12	CUTTING TABLES	5	5000	₹ 25,000
	GRAND TOTAL	67		₹ 12,07,500

Land requirement - Roughly 6000 sq ft, for a capacity illustrated above

The working capital requirement is estimated to be about 10% of the average turnover.