



Production Linked Incentive (PLI) Scheme –

*Footwear and
Leather
Manufacturers in
India*



An Overview of the Leather Industry in India – 1/2

- The Leather industry in India accounts for around 13% of the world's leather production of hides/skins and handles a robust annual production of about 3 bn sq. ft. of leather.
- The country accounts for 9% of the world's footwear production.
- India is the second largest producer and consumer of footwear in the world.
- The industry is an employment intensive industry providing job to more than 4 Mn people.
- India is the 5th largest exporter of leather goods and accessories in the world.
- The Leather industry in India has one of the youngest workforces with 55% of the workforce below 35 years of age.
- The industry is bestowed with an affluence of raw materials as India is endowed with 20% of world cattle & buffalo and 11% of world goat & sheep population. Added to this are the strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and the dedicated support of the allied industries.

Major production centers for footwear, leather and leather products in India are as follows:

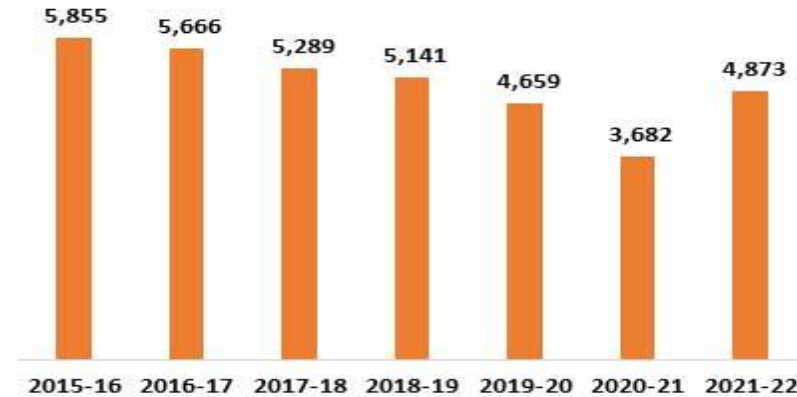
- ✓ Tamil Nadu - Chennai, Ambur, Ranipet, Vaniyambadi, Vellore, Pernambut, Trichy, Dindigul and Erode
- ✓ West Bengal – Kolkata
- ✓ Uttar Pradesh – Kanpur, Agra, Noida, Saharanpur
- ✓ Maharashtra – Mumbai
- ✓ Punjab – Jalandhar
- ✓ Karnataka – Bengaluru
- ✓ Telengana- Hyderabad
- ✓ Haryana - Ambala, Gurgaon, Panchkula, Karnal and Faridabad
- ✓ Madhya Pradesh – Dewas
- ✓ Kerala – Kozhikode and Ernakulam / Cochin
- ✓ Rajasthan - Jaipur
- ✓ Jammu & Kashmir; Srinagar
- ✓ Delhi

An Overview of the Leather Industry in India – 1/2

Top Leather Manufacturers in India:

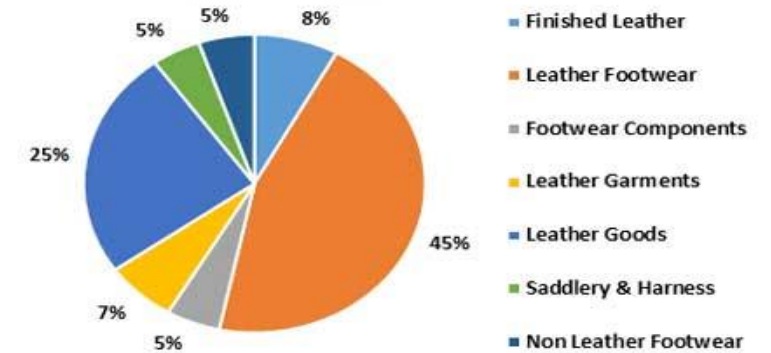
S.N.	Company Name	Operating Revenue
1.	BATA India Ltd.	Over INR 500 cr
2.	Bhartiya International Ltd.	INR 100 cr – 500 cr
3.	Farida Shoes Pvt. Ltd.	INR 100 cr – 500 cr
4.	Lakhani Industries Ltd.	Under INR 1 cr
5.	Liberty Shoes Ltd.	INR 100 cr – 500 cr
6.	Mayur Uniquoters Ltd.	Over INR 500 cr
7.	Metro Brands Ltd.	Over INR 500 cr
8.	Mirza International Ltd.	Over INR 500 cr
9.	Relaxo Footwear Ltd.	Over INR 500 cr

India's leather and leather product exports (US\$ million)



Source: Council for Leather Exports

India's product-wise share of total exports (April 2021-August 2022)



Source: Council for Leather Exports

Emerging strengths of Leather Manufacturing Industry :-

- Design development initiatives by institutions and individuals.
- Continuous modernization and technology up-gradation.
- Economic size of manufacturing units.
- Constant human resource development programme to enhance productivity.
- Increasing use of quality components.
- Shorter prototype development time.
- Delivery compliance.
- Growing domestic market for footwear and leather articles.

PLI Scheme for Footwear and Leather Manufacturers – A Background

Objectives of the bringing the scheme:

- a) Enhance manufacturing capabilities.
- b) Remove sectoral disabilities.
- c) Create economies of scale.
- d) Generate substantial employment.
- e) Create global champions to increase export.

Scheme Tenure - FY 2023-24 to FY 2031-32

Components of Scheme: Financial incentive shall paid based on threshold investment and incremental sales (over base year) as below:

Component 1 Champion Footwear Manufacturer

- ❖ Manufacture footwear with upper of leather or upper of non-leather material.
- ❖ Footwear with sole made up of leather, plastic or any other material
- ❖ Sports Footwear
- ❖ Kolhapuri Chappal..etc.

Component 2 Champion Component Manufacturer

- ❖ Upper of leather or non – leather material.
- ❖ Sole made up of Leather
- ❖ Sole made up of rubber, plastic or any other material
- ❖ Outer soles
- ❖ Heels of plastic or rubber
- ❖ Hide and Skins
- ❖ PU
- ❖ EVA Copolymers
- ❖ EVA sheet....etc.

Project categories – *Brownfield and Greenfield*

Scheme Outlay and Eligible Categories

Note :-

- ✓ PLI incentive for Components category is proposed @ 12 to 5%.
- ✓ PLI incentive for Finished Goods category is proposed @ 8 to 4%.

Detailed Financial Outlay –

Eligibility Financial Year	Disbursal Financial Year	Total PLI : Yearly Payout (INR In crore)
FY 2024-25	FY 2025-26	246
FY 2025-26	FY 2026-27	501
FY 2026-27	FY 2027-28	612
FY 2027-28	FY 2028-29	672
FY 2028-29	FY 2029-30	546
FY 2029-30	FY 2030-31	0
	Total	2575
<i>Plus PMA charges</i>		2600

Investment Category for Components

Categories	Threshold
Category 1	Rs. 100 crore
Category 2	Rs. 50 crore
Category 3	Rs. 25 crore
Category 4	Rs. 5 crore

Investment Category for Finished Goods

Categories	Threshold
Category 1	Rs. 500 crore
Category 2	Rs. 200 crore
Category 3	Rs. 25 crore
Category 4	Rs. 5 crore

Incentive Layout under the Scheme

Incentive for Components				Both Brownfield and Greenfield are covered at same rate			(Rs.in Crore)
Min. Investment	No. of units	Prospective investment	Prospective Min. sales	PLI @outgo	PLI per unit	PMU charges @1%	Total proposed outlay for PLI
Rs. 100 cr.	5	500	3000	246.00	49.20		
Rs. 50 cr.	24	1200	7200	590.40	24.60		
Rs. 25 cr	34	850	5100	418.20	12.30		
Rs. 5 cr	50	250	1500	123.00	2.46		
Total	113	2800	16800	1377.60		13	1391

Incentive for Finished Goods				Both Brownfield and Greenfield are covered at same rate			(Rs.in Crore)
Min. Investment	No. of units	Prospective investment	Prospective Min. sales	PLI @outgo	PLI per unit	PMU charges @1%	Total proposed outlay for PLI
Rs. 500 cr.	2	1000	6000	328.00	164.00		
Rs. 200 cr.	5	1000	6000	328.00	65.60		
Rs. 100 cr	6	600	3600	196.80	32.80		
Rs. 25 cr	42	1050	6300	344.40	8.20		
Total	55	3650	21900	1197.20		12	1209
Grand Total		6450	38,700	2574.80		25	2600

Brownfield (Components) – 1/2

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category – 1 (INR 100 Crores)	FY 23-24		20				
	FY 24-25	12%	40	40	50		
	FY 25-26	12%	60	80	100	4.8	6
	FY 26-27	10%	80	120	150	9.6	12
	FY 27-28	8%	100	160	200	12	15
	FY 28-29	5%		200	250	12.8	16
	FY 29-30					10	12.5
	Total			100	600	750	49.2 (49%)
Category – 2 (INR 50 Crores)	FY 23-24		10				
	FY 24-25	12%	20	20	25		
	FY 25-26	12%	30	40	50	2.4	3
	FY 26-27	10%	40	60	75	4.8	6
	FY 27-28	8%	50	80	100	6	7.5
	FY 28-29	5%		100	125	6.4	8
	FY 29-30					5	6.25
	Total			50	300	375	24.6 (49%)

Threshold criteria and (Investment) period up to March 2024 (Components)

Brownfield (Components) – 2/2

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category – 3 (INR 25 Crores)	FY 23-24		5				
	FY 24-25	12%	10	10	12.5		
	FY 25-26	12%	15	20	25	1.2	1.5
	FY 26-27	10%	20	30	37.5	2.4	3
	FY 27-28	8%	25	40	50	3	3.75
	FY 28-29	5%		50	62.5	3.2	4
	FY 29-30					2.5	3.125
	Total			25	150	187.5	12.3 (49%)

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category – 4 (INR 5 Crores)	FY 23-24		1				
	FY 24-25	12%	2	2	2.5		
	FY 25-26	12%	3	4	5	0.24	0.3
	FY 26-27	10%	4	6	7.5	0.48	0.6
	FY 27-28	8%	5	8	10	0.6	0.75
	FY 28-29	5%		10	12.5	0.64	0.8
	FY 29-30					0.5	0.625
	Total			5	30	37.5	2.46 (49%)

Threshold criteria and (Investment) period up to March 2024 (Components)

Brownfield (Finished Goods) – 1/2

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category – 1 (INR 500 Cr.)	FY 23-24		100				
	FY 24-25	8%	200	200	250		
	FY 25-26	8%	300	400	500	16	20
	FY 26-27	6%	400	600	750	32	40
	FY 27-28	5%	500	800	1000	36	45
	FY 28-29	4%		1000	1250	40	50
	FY 29-30					40	50
	Total			500	3000	3750	164 (32.8%)

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category – 2 (INR 200 Cr.)	FY 23-24		40				
	FY 24-25	8%	80	80	100		
	FY 25-26	8%	120	160	200	6.4	8
	FY 26-27	6%	160	240	300	12.8	16
	FY 27-28	5%	200	320	400	14.4	18
	FY 28-29	4%		400	500	16	20
	FY 29-30					16	20
	Total			200	1200	1500	65.6 (32.8%)

Threshold criteria and Gestation (Investment) period up to March 2024 (Finished Goods)

Brownfield (Finished Goods) – 2/2

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category – 3 (INR 100 Cr.)	FY 23-24		20				
	FY 24-25	8%	40	40	50		
	FY 25-26	8%	60	80	100	3.2	4
	FY 26-27	6%	80	120	150	6.4	8
	FY 27-28	5%	100	160	200	7.2	9
	FY 28-29	4%		200	250	8	10
	FY 29-30					8	10
	Total			100	600	750	32.8 (32.8%)
Category – 4 (INR 25 Cr.)	FY 23-24		5				
	FY 24-25	8%	10	10	12.5		
	FY 25-26	8%	15	20	25	0.8	1
	FY 26-27	6%	20	30	37.5	1.6	2
	FY 27-28	5%	25	40	50	1.8	2.25
	FY 28-29	4%		50	62.5	2	2.5
	FY 29-30					2	2.5
	Total			25	150	187.5	8.2(32.8%)

Threshold criteria and Gestation (Investment) period up to March 2024 (Finished Goods)

Greenfield (Components) – 1/2

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category 1 (INR 100 Cr.)	FY 24-25		20				
	FY 25-26	12%	40	40	50		
	FY 26-27	12%	60	80	100	4.8	6
	FY 27-28	10%	80	120	150	9.6	12
	FY 28-29	8%	100	160	200	12	15
	FY 29-30	5%		200	250	12.8	16
	FY 30-31					10	12.5
	Total			600	750	49.2 (49%)	61.5

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category 2 (INR 50 Cr.)	FY 24-25		10				
	FY 25-26	12%	20	20	25		
	FY 26-27	12%	30	40	50	2.4	3
	FY 27-28	10%	40	60	75	4.8	6
	FY 28-29	8%	50	80	100	6	7.5
	FY 29-30	5%		100	125	6.4	8
	FY 30-31					5	6.25
	Total			50	300	375	24.6 (49%)

Threshold criteria and Gestation (Investment) period up to March 2025 (Components)

Greenfield (Components) – 2/2

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category 3 (INR 25 Cr.)	FY 24-25		5				
	FY 25-26	12%	10	10	12.5		
	FY 26-27	12%	15	20	25	1.2	1.5
	FY 27-28	10%	20	30	37.5	2.4	3
	FY 28-29	8%	25	40	50	3	3.75
	FY 29-30	5%		50	62.5	3.2	4
	FY 30-31					2.5	3.125
	Total			25	150	187.5	12.3 (49%)

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Category 4 (INR 5 Cr.)	FY 24-25		1				
	FY 25-26	12%	2	2	2.5		
	FY 26-27	12%	3	4	5	0.24	0.3
	FY 27-28	10%	4	6	7.5	0.48	0.6
	FY 28-29	8%	5	8	10	0.6	0.75
	FY 29-30	5%		10	12.5	0.64	0.8
	FY 30-31					0.5	0.625
	Total			5	30	37.5	2.46 (49%)

Threshold criteria and Gestation (Investment) period up to March 2025 (Components)

Greenfield (Finished Goods) – 1/2

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category 1 (INR 500 Cr.)	FY 24-25		100				
	FY 25-26	8%	200	200	250		
	FY 26-27	8%	300	400	500	16	20
	FY 27-28	6%	400	600	750	32	40
	FY 28-29	5%	500	800	1000	36	45
	FY 29-30	4%		1000	1250	40	50
	FY 30-31					40	50
	Total			500	3000	3750	164 (32.8%)

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Category 2 (INR 200 Cr.)	FY 24-25		40				
	FY 25-26	8%	80	80	100		
	FY 26-27	8%	120	160	200	6.4	8
	FY 27-28	6%	160	240	300	12.8	16
	FY 28-29	5%	200	320	400	14.4	18
	FY 29-30	4%		400	500	16	20
	FY 30-31					16	20
	Total			200	1200	1500	65.6 (32.8%)

Threshold criteria and Gestation (Investment) period up to March 2025 (Finished Goods)

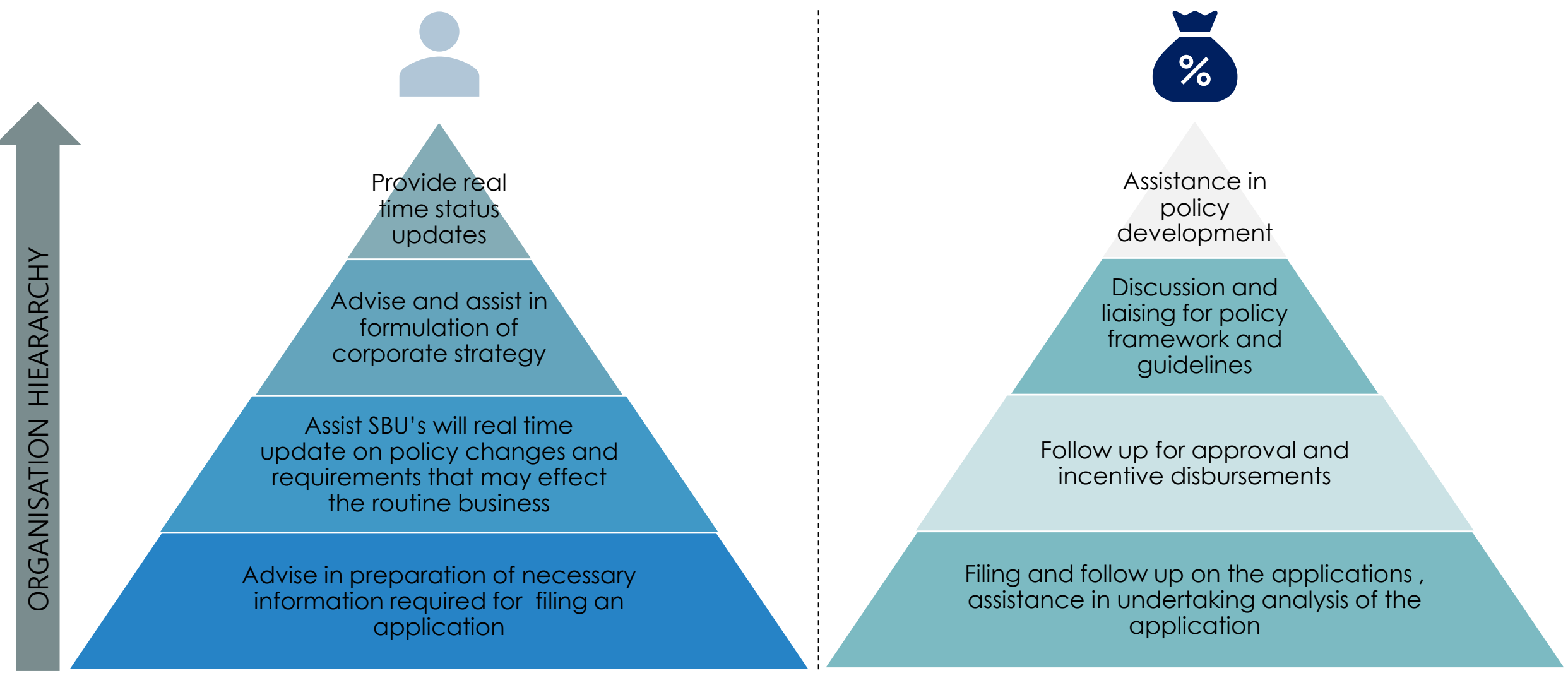
Greenfield (Finished Goods) – 2/2

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category 3 (INR 100 Cr.)	FY 24-25		20				
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	FY 26-27	8%	60	80	100	3.2	4
	FY 27-28	6%	80	120	150	6.4	8
	FY 28-29	5%	100	160	200	7.2	9
	FY 29-30	4%		200	250	8	10
	FY 30-31					8	10
	Total			100	600	750	32.8 (32.8%)

	Financial Year	PLI @	Min. Cumulative Investment (Rs. In crore)	Qualifying yearly sales over base year (Rs. In crore)	Max. yearly sales over base year (Rs. In crore)	PLI on Qualifying yearly sales (Rs. In crore)	Max. PLI on yearly sales
Category 4 (INR 25 Cr.)	FY 24-25		5				
	FY 25-26	8%	10	10	12.5		
	FY 26-27	8%	15	20	25	0.8	1
	FY 27-28	6%	20	30	37.5	1.6	2
	FY 28-29	5%	25	40	50	1.8	2.25
	FY 29-30	4%		50	62.5	2	2.5
	FY 30-31					2	2.5
	Total			25	150	187.5	8.2 (32.8%)

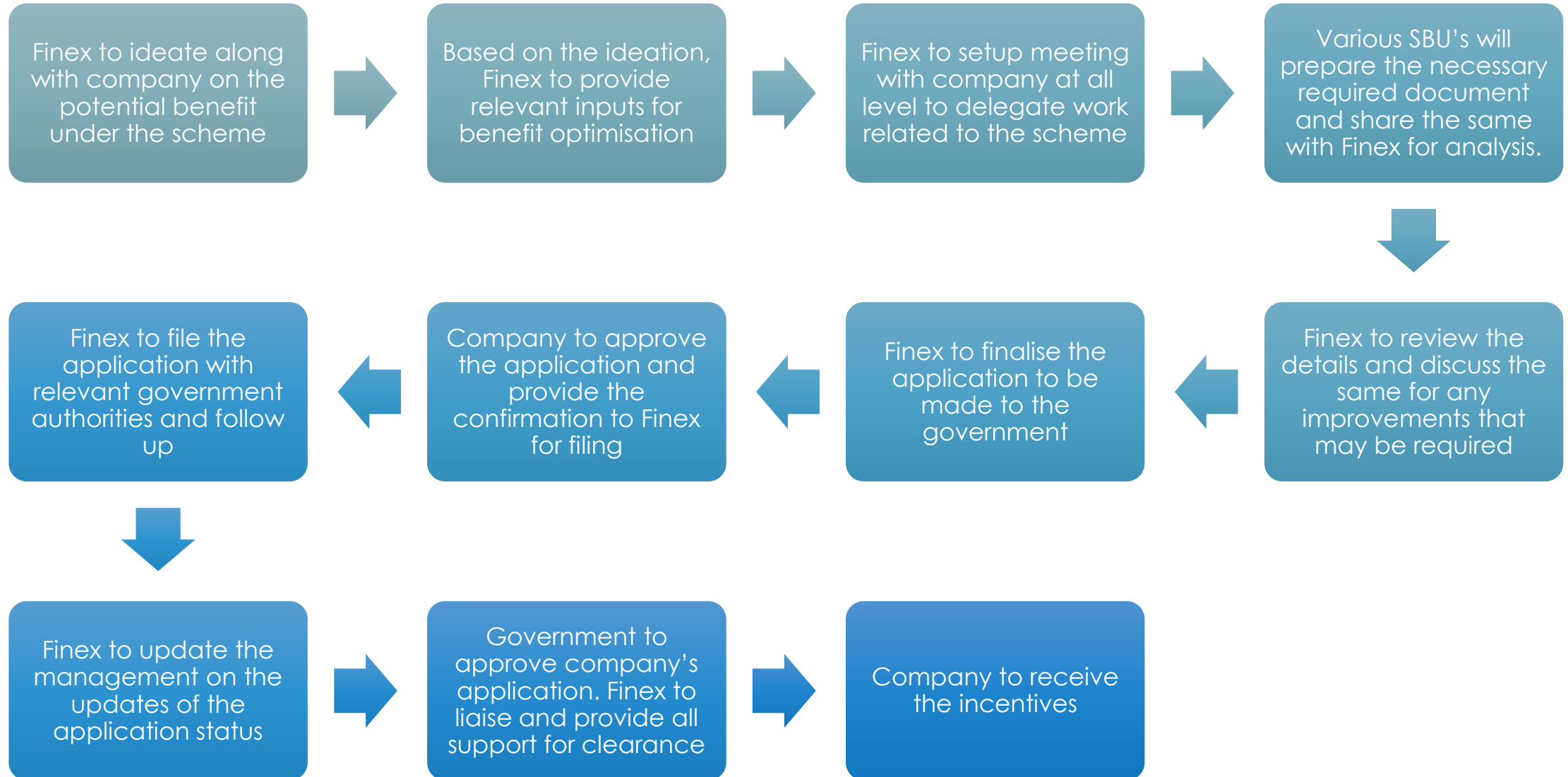
Threshold criteria and Gestation (Investment) period up to March 2025 (Finished Goods)

Government Incentives – Our role across Value Chain

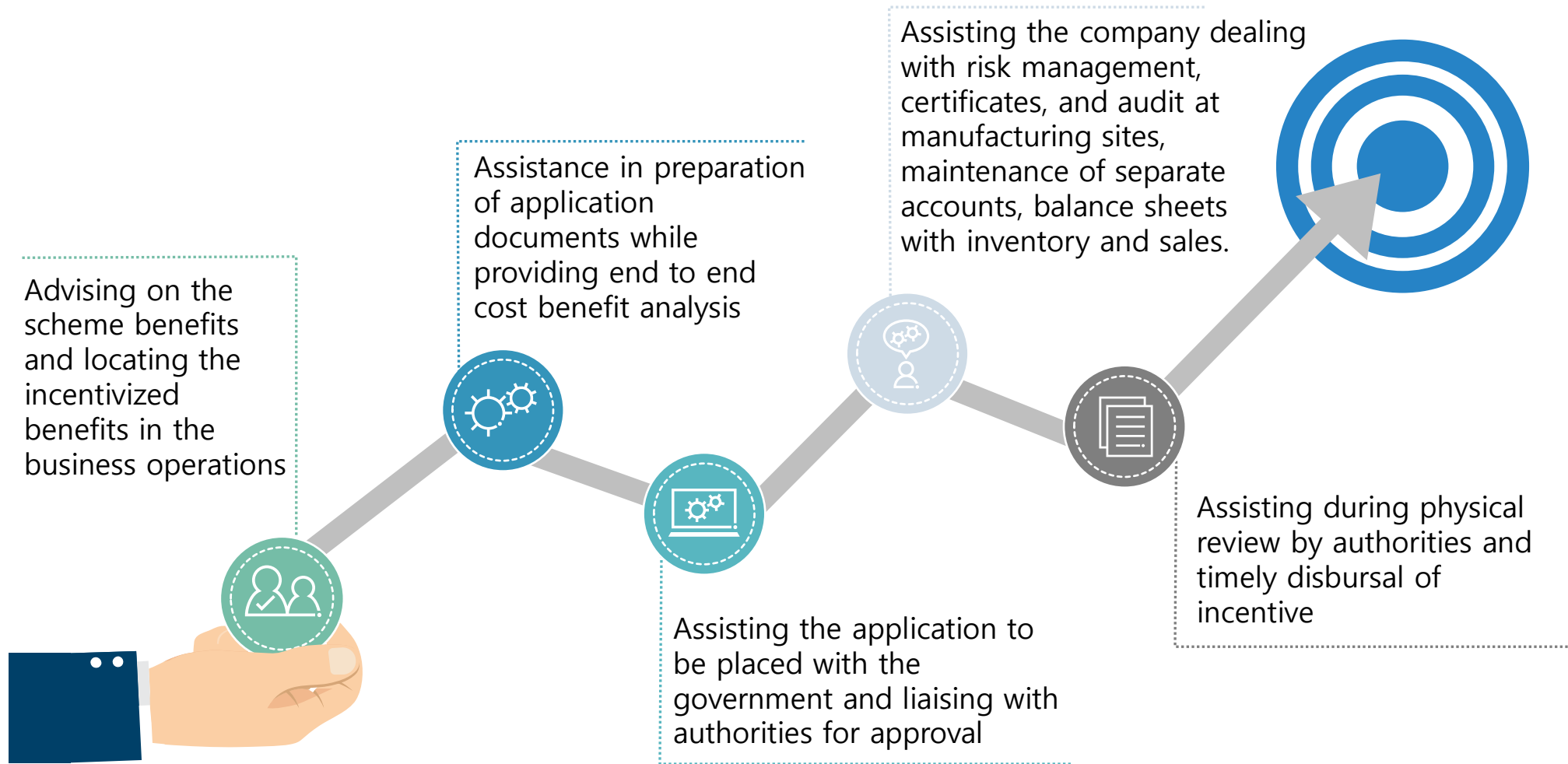


Important Note - Working at all levels helps us guide the business to streamline the application process and optimise the incentives.

Government Incentives – Process



Finex Focused Service Offerings



Why Choose Us?

75+ Satisfied clients **4+** Locations & growing **125K+** Hours consulted

Finex cares about the success of clients, preserve the integrity of our industry, committed to prosperous integration and create a new benchmark of quality.

Ability to scale as your business needs evolve.

Strong track record of delivering value and exceptional service.

We have experience in relevant industry.

Commitment to investment in our professional relationship.

Our team will deliver a quality service and provide the experience to address your needs.



OUR ADVANTAGE



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