



BRIEF INDUSTRIAL PROFILE TIRUPUR (2015-16)

by

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FOREWORD

MSME-DI, Chennai, Tamil Nadu is one of the field outfit of Office of Development Commissioner, Ministry of Micro, Small and Medium Enterprises (DC-MSME) established in the year 1954 for implementing the various policies and programmes of Ministry of MSME towards entrepreneurship development in Micro, Small and Medium Enterprises across the State in liaison with State Govt. and other stake holders. This Institute covers 32 Districts in the State of Tamil Nadu and UT of Puducherry. with the following mandate

- ***For Aspiring entrepreneurs* : identify, motivate, train, handhold and provide mentoring services.**
- ***For Existing entrepreneurs.* To provide techno economic consultancy and facilitation service**
- ***Skill Development:* To impart need based skill training through Skill Development Programmes (SDP)**

One of the wide spectrum of value added services of the Institute is to prepare a brief district industrial profiles of each district for the benefit of aspiring and existing entrepreneurs in the State of Tamil Nadu and other States

This report contains brief details of the District, geographical information, statistical data relating to MSME's of the district, registration under Udyog Aadhaar Memorandum (UAM), potential areas for investment in service sector and manufacturing sector, identified industrial clusters, key contacts for whom to contact for what etc. . The report has been prepared based on our earlier first edition report duly updated from data/inputs collected by District nodal officers and from reports/publications of M/o. MSME, Govt. of India and Govt. of Tamil Nadu, MSME Deptt.

Economic Investigation Division of the Institute has taken special efforts in collection and compilation of the relevant data for preparing the document not only for the **TIRUPUR District** but for all the Districts of Tamil Nadu. My sincere thanks to all the officers of the Institute for their cooperation in bringing out this brief industrial profile.

I am sure that that this document will be of much useful for the benefit of aspiring and existing entrepreneurs who are desirous of setting up of MSMEs in the State of Tamil Nadu in general and in the **District of TIRUPUR** in particular.



S. PANIKASSERY
DIRECTOR

Place: CHENNAI

Date: 25-06-2016

A. Tiruppur – District Map



BRIEF INDUSTRIAL PROFILE TIRUPPUR DISTRICT

2015-16

1. TIRUPPUR – FACT SHEET

Tiruppur is a city in the region of the [Indian](#) state of [Tamil Nadu](#). Tiruppur is the administrative headquarters of [Tiruppur district](#) and the [fifth largest urban agglomeration](#) in [Tamil Nadu](#). Located on the banks of [Noyyal River](#), it has been ruled at different times, by the [Early Pandyas](#), [Medieval Cholas](#), [Later Cholas](#), [Vijayanagar Empire](#), [Madurai Nayaks](#), [Mysore Kingdom](#) and the [British](#). It is situated at the center of the South Indian [Peninsula](#), about 450 kilometres (280 mi) southwest of the state capital [Chennai](#) and about 50 kilometres (31 mi) east of [Coimbatore](#).

Tiruppur is administered by [municipal corporation](#) which was established in 2008 and the total area of the corporation is 159.6 km² divided into 60 wards. Tiruppur is a part of the [Tiruppur constituency](#) that elects its member of parliament.

Tiruppur is a major textile and knit wear hub contributing to 90% of total cotton knit wear exports from India. The textile industry provides employment to over six [lakh](#) people and contributed to exports worth ₹ 200 billion (US\$3.0 billion) in 2014-15.

Etymology

The name Tiruppur is said to have emerged during the Mahabharata era. According to history, the cattle herds of Pandavas were stolen by thieves and the same was recaptured by Arjuna's forces resulting in the name "Tiruppur" and meaning "place where they were returned back".

History

Tiruppur formed a part of the Kongu Nadu region ruled by the Cheras during Sangam period. The region was part of a prominent Roman trade route that connected east and west coasts of India. The medieval Cholas conquered the Kongu Nadu in the 10th century CE and Chola stone carvings mention *Kanchi Maanadhi* (Noyyal River) and the fertile sand that it deposited on its banks.

The region came under the rule of the Vijayanagara Empire by the 15th century and later Palayakkarars, the chieftains of Madurai Nayaks ruled the region. In the later part of the 18th century, the region came under the Kingdom of Mysore, following a series of wars with the Madurai Nayak Dynasty. After

the defeat of Tipu Sultan in the Anglo-Mysore Wars, the British East India Company annexed the region into the Madras Presidency in 1799.

Tirupur was an agricultural town with irrigated farms and the farmers became small owners of various textile related units during the 1970s. The boom in the textile industry led to an inter woven network of the small scale units leading to growth of the city into a major textile hub. Tiruppur became a municipal corporation in 2008 and a separate Tiruppur district was carved out from parts of Coimbatore district and Erode district in 2009. The District is also called Knitwear Capital of India and Textile City

Geography

Tiruppur is located at 11.1075°N 77.3398°E on the banks of the Noyyal River. It has an average elevation of 295 metres (967 feet) and covers an area of 159.6 km² (61.6 sq mi).

Demographics

As per the religious census of 2011, Tiruppur (Municipal Corp.) had 86.05% Hindus, 10.36% Muslims, 3.33% Christians, 0.03% Sikhs, 0.01% Buddhists, 0.07% Jains, 0.14% following other religions and 0.01% following no religion or did not indicate any religious preference.

Administration and politics

Tiruppur district is an important textile industry region and the city of Tiruppur is virtually the 'Knitwear capital of India'. With reference to agricultural scenario in the district, the major crops grown in the district include millets, paddy, pulses and oil seeds. The district enjoys a moderate climate as it is bordered with the Western Ghats.

Tiruppur city is administered by Tiruppur Municipal Corporation headed by a mayor. Tiruppur Municipality was established in 1917 and was upgraded to a municipal corporation in 2008. The city is divided into 60 wards. Each ward is represented by a councillor who is elected by direct election and the mayor of Tiruppur is elected by councillors. The executive wing of the corporation is headed by a corporation commissioner and maintains basic services like water supply, sewage and roads. Law and order is maintained by Tiruppur police headed by a police commissioner of Deputy Inspector General Rank. The city police have 7 police stations, 3 traffic police stations and over 1000 personnel. The Tiruppur District Court is the ultimate judicial authority in the district.

Tirupur has two assembly constituencies Tiruppur North and Tiruppur South. Tiruppur is part of Tirupur Lok Sabha constituency which was created during the delimitation in 2008 consisting parts of erstwhile Coimbatore, Gobichettipalayam and Palani constituencies.

2. TIRUPPUR DISTRICT – KEY INDICATORS

(Source : Tiruppur Collectrate Office)

Indicator	Details
Area (sq.km)	5,187
% of state area	3.9
Revenue divisions	3
Taluks	9
Blocks	30
Corporation and municipalities	6
Town panchayats	16
Revenue villages	350
Panchayat villages	265
Forest area (sq. km)	481.6

Tiruppur District Profile:

Socio-Economic Profile

As per Census 2011, Tiruppur district has a population of 24.8 lakh persons – 3.44 per cent of the State population. Majority of the population (40 per cent) is concentrated in Tiruppur taluk. The district's literacy rate is 78.7 per cent, which is marginally lower than the State average of 80.1 per cent, but higher than All-India average of 74 per cent. Male literacy at 85.5 per cent is higher than female literacy rate at 71.8 per cent. The taluks in the district include Tiruppur North, Tiruppur south, Palladam, Udumalai Pettai, Madathu Kuam, Kangeyam, Dharapuram, Avinashi and Uthukuli.

Key Demographic indicators (2011 census)

Indicator	Details
Population: (Total) –Nos.	2,479,052
Male population, %	50.4%
Female population, %	49.6%
District's share in State's population, %	3.44%
Urban population as a percentage of total population, %	61.36%
Rural population as a percentage of total population, %	38.64%
SC population, %	31.77%
ST population, %	0.22%
Sex ratio, No. of females per 1000 males	989
Population density, per sq. km.	478
No. of households	712,210
Literacy rate, % : (Person)	78.68%
Male	85.49%
Female	71.82%
Main workers, No.	1,168,596
Marginal workers, No.	97,541
Working age population as a percentage of total population, %	67.65
Work participation rate	51%
HDI	NA

The workforce participation rate of the district (51 per cent) is one among the highest in the state and significantly more than the state average of 46 per cent. The industrialization of the district is reflected by the workforce rate. Majority of the population is classified under other workers (67 per cent) which include occupation such as government servants, municipal employees, teachers, factory workers, plantation workers, those engaged in trade, commerce, business, transport banking, mining, construction, political or social work, priests, entertainment artists, etc.

Economy

As of 2010-11, Tiruppur district had the seventh largest Gross District Domestic Product (GDDP) in Tamil Nadu at Rs 18,202 crore (4.5 per cent of the Gross State Domestic Product at constant prices). In terms of per capita income though, it ranked 2nd amongst all the districts at Rs 83,776 when compared with the State average of Rs 59,967. The district economy is pre-dominantly service based with service sector's share in GDDP at 51 per cent in 2010-11. This is followed by secondary sector at 42 per cent and primary sector at seven per cent.

Agriculture: Of the total area of 518 thousand hectare in the district, over 44 per cent is cultivable area. Agriculture is mainly dominated by cultivation of millets, paddy, pulses and oil seeds. Agriculture is predominantly food and commercial

crops and the area covered under major crops is provided in the table below. Horticulture crops such as onion, mango is also grown in the district (especially in Dharapuram and Kangeyam taluk region).

Agriculture production has shown an increasing and positive trend in the district since 2006-07. The major crops grown in the district is mentioned in the table below:

Principal crops and area covered

Name of the crop	Area (in Hectares)	% of area covered
Paddy	13,650	6.0%
Total Millets	1,01,840	44.6%
Total Pulses	38,030	16.6%
Total Oil Seeds	23,080	10.1%
Cotton	6,780	3.0%
Sugarcane	11,390	5.0%
Coconut	33,786	14.8%
Total	228,556	100.0%

3. INFRASTRUCTURE

Infrastructure availability is the key for social and economic progress of the district. The key sub-sections transport, water, education, health, finance and industrial infrastructure.

Transport: Being one of the prominent industrial centres of the state, the district has a well-developed and connected road transportation system.

Road: The district is well connected by means of road through national and state highways to many prominent places in and around the district. Three National highways pass through the district including NH-47(Avinashi), NH-67 (Kangeyam-Palladam) and NH-209 (Udumalpet). There are also various state highways connecting to various urban centers in the district.

Rail: Tiruppur station is the only major railway station in the district. The other major taluk centres such as Kangeyam, Palladam, Avinashi does not have railway connectivity and depend on Tiruppur railway station for transportation.

Air: The nearest airport is Coimbatore, which is 45 km away from the district headquarters.

Port: The nearest port is Kochi port with about 235 km distance and Tuticorin port with about 320 km distance. Tuticorin port is used for transportation of majority of the export goods from the district.

Water: The following rivers flow through the district: Noyyal, Amaravati, Palar, Nallar and Chinnar. There are two major dams in the district namely

Thirumoorthy dam (across Palar river) and **Amaravathi dam** (across Amaravathy river). Other minor dams include Upparu dam, Nallathangal dam and Vattamalaikarai Odai dam for irrigation purpose. The sources of drinking water supply for the Tiruppur Corporation are from Bhavani River at Mettupalayam and Cauvery River at Bhavani.

Water Supply and Sanitation Project on PPP Basis: New Tiruppur Area Development Corporation Limited (NTADCL) was incorporated in 1995. It was promoted by the Government of Tamil Nadu (GoTN), Infrastructure Leasing and Financial Services Ltd (IL&FS) and TEA as an SPV to implement the Tiruppur Area Development Programme (TADP). As part of the TADP, NTADCL has been mandated, through a concession by GoTN, to develop, construct, operate and maintain a 185 million litre per day capacity water supply project and sewerage facility for about 60% population in Tiruppur Municipality at a total cost of about 1023 crores. The project also involves providing low cost sanitation facilities for slum areas in Tiruppur. The project of NTADCL is the first private water supply and sanitation project in the country and one of the largest private investments in urban infrastructure in the country.

Education: There are more than 1400 schools in the district. For higher education, there are about 17 arts & science colleges in the district and for technical education,

there are 15 institutes (eight polytechnics and seven engineering colleges) in the district. The famous educational institutes in the district include Sainik School in Amaravathi Nagar and NIFT TEA College of knitwear fashion in Tiruppur.

Health: There are about eight government hospitals, 44 govt. primary health centers and 242 govt. health sub centers offering public health service to the public.

Key healthcare infrastructure indicators in Tiruppur

Indicator	Details
No. of Hospitals	8
No. of Primary Health Centre	44
No. of Sub Centre	242
No. of beds in hospitals and dispensaries	906
Total doctors (in hospitals)	140

Indicator	Details
Birth rate	11.21
Death Rate	7.21

Industrial Infrastructure: There are four industrial areas in the district. All the industrial estates are managed by the Tamil Nadu Small Industries Development Corporation Limited (**SIDCO**). The industrial estate in Rasathi Valasu, Kangeyam is a new facility and is yet to be occupied by the industry players.

Parks and Institutions on the basis of PPPs: To promote the industrial development in the region, **Nethaji Apparel Park was opened in 2005** at the national highway near Avinashi and Perumanallur area. Nethaji Apparel Park is the first of a kind apparel industrial area in the country to promote textile industries (specific to apparel). The apparel park is spread across 170 acres with adequate facilities for industrial operations. Besides, the city also has a fashion institute, NIFT-TEA College of Knitwear Fashion established through the efforts of local entrepreneurs (Tiruppur Exporters' Association – TEA) in collaboration with the Government and financial institutions.

The objective of setting up this institute is to support the growth of textile industry in the region. The institute offers exclusive courses in knitwear to offer skilled personnel to the local apparel and garment industry. The Industrial scenario of Tiruppur district and some of the industrial areas in the district are profiled below:

4.INDUSTRIAL SCENERIO OF TIRUPUR DISTRICT

Industry at a Glance :

Sl.No.	Head	Unit	Particulars
1	Registered Industrial Unit	In Numbers	28,938
2	Total Industrial Unit	In Numbers	28,938
3	Registered Medium & Large unit	In Numbers	416

4	Estimated Avg. No. of daily worker employed in Small Scale Industries	In Numbers	11,00,000
5	Employment in Large and Medium Industries	In Numbers	7,00,000
6	Turnover of Small Scale Industries	In Lakhs	220,56,78,000
7	Turnover of Medium & Large Scale Industries	In Lakhs	9,67,760

a	Knitting and / or stitching units	19268
b	Dyeing and / or bleaching units	1000
c	Printing units	2820
d	Embroidery units	2000
e	Other (Compacting, Raising, Calendaring)	3850

Textile based Industries

Operations	Number of Units
Knitting Units	8000
Dyeing and Bleaching	1000
Fabric Printing	2820
Garment Making	11268
Embroidery	2000
Other Ancillary Units	2600
Compacting and Calendaring	1250
Total	28938

Yearwise Trend of Units Registered in District Industries Centre(DIC)

Tiruppur :

2009-10	3698
2010-11	3370
2011-12	3323
2012-13	4416

2013-14	6976
2014-15	10573

Artisan Units in Tiruppur Districts :

Nic Code No.	Type of Industry	Number of Units	Investment (Lakh Rs.)	Employment
20	Agro based	615	20651.26	8309
22	Soda Water	14	183.5	181
23	Cotton Textile	7890	264357.63	124460
24	Woolen, Silk & Artificial Thread based clothes	-	-	-

Nic Code No.	Type of Industry	Number of Units	Investment (Lakh Rs.)	Employment
25	Jute & Jute based	-	-	-
26	Ready-made Garments & Embroidery	13268	316253.08	333523
27	Wood / Wooden based furniture	154	999.41	1502
28	Paper & Paper products	306	4859.87	4399
29	Leather based	114	175.26	351
31	Chemical / Chemical based	102	3840.54	909
30	Rubber, Plastic & Petro based	320	6901.97	4958
32	Mineral based	194	2268	2187
33	Metal based (Steel Fab.)	106	4225.04	2014
35	Engineering Units	504	3969.06	4063
36	Electrical machinery and transport equipment	204	1184.46	1579
97	Repairing & Servicing	1327	7259.09	9958
01	Others	3820	46905.24	35744

Source: DIC,Tiruppur

5. INDUSTRIAL AREA IN TIRUPPUR DISTRICT

Area	Land acquired (In hectare)	Land developed (In hectare)	No of allotted plots	No. of Units in Production
Ganapathipalayam	7	7	53	77
Gudimangalam	3	3	1	31
Tiruppur	4	4	5	45
SIDCO Industrial Estate, RasathiValasu, Kangeyam	21	21	51	N/A

Number of Units registered under EM-II

Year	No. of Units registered (EM-II) – TIRUPUR			
	MICRO	SMALL	MEDIUM	TOTAL
2007-08	--	--	--	--
2008-09	--	--	--	--
2009-10	--	--	--	--
2010-11	2861	820	17	3698
2011-12	2663	655	52	3370
2012-13	3515	833	82	4430
2013-14	6101	2174	209	8484
2014-15	8863	3846	320	13029

6. UDYOG AADHAAR MEMORANDUM (UAM)

Govt. of India, Ministry of Micro, Small and Medium Enterprises (MSME) has notified the Udyog Aadhaar Memorandum (UAM) under the MSMED Act, 2006 vide gazette notification [SO No. 2576(E)] dated 18-09-2015 in order to promote ease of doing business for MSMEs. A one-page simple registration form for online filing of UAM has been introduced which replaces the filing of Entrepreneur's Memorandum Part I & II. The filing of UAM can be done on www.udyogaadhaar.gov.in. Registration is online and user-friendly. UAM can be filed on self-declaration basis. No documentation required. No Fee for filing. Can file more than one Udyog Aadhaar with same Aadhaar Number. **EM-I has been abolished. Udyog Aadhaar (UA) is for running units. No need to apply for upcoming units.**

DETAILS OF UDYOG AADHAAR MEMORANDUM FILED/REGISTERED - THIRUPUR

SI No.	District Name	Total	Micro	Small	Medium
1	Total Units registered under UAM	10114	8769	1328	17
2	Manufacturing Units	8095	7060	1019	16
3	Service Units	2019	1709	309	1

7. BANKING AND FINANCE:

The district has adequate banking infrastructure facility to promote economic growth in the region. Most of the nationalized and private banks have their banking operations in the district. They also offer facilities such as forex, letter of credit / guarantee facilities to support the export trade in the district.

Banks in Tiruppur district Indicator

Indicator	Details
No. of Banks	231
Credit Deposit Ratio	195.7

8. IDENTIFIED CHALLENGES:

Effluent Treatment: Pollution due to the waste discharge from textile units into the river which affects water as well as causing health hazards to the public. This has led to the closure of many processing (dyeing) units in the region during 2008-09. There have been efforts taken to control pollution and around 18 Common Effluent Treatment Plants (CETP) are set up with Zero Liquid Discharge (ZLD) norms. However, the cost of processing has increased and resulting in cost disadvantage (increase in cost of production).

Cargo handling: The cargo handling facility in the train station needs to be improved and direct connectivity to Tuticorin would help in faster movement of export goods to the port.

9. INFRASTRUCTURE PROJECTS IN 'TAMIL NADU VISION 2023'

Tiruppur, being one of the key industrial and trade centre requires a boost in infrastructure and the 'Tamil Nadu vision 2023' includes infrastructural investments

in the district for development. Some of the key infrastructure projects earmarked for Tiruppur district include:

Infrastructure

- World class cities programme (Coimbatore - Tiruppur)
- Public Mass Rapid Transit System

Industrial Infrastructure:

Coimbatore Madurai Industrial Corridor (covering districts of Coimbatore, Tiruppur, Dindigul and Madurai)

- The focus sectors of development in this belt will predominantly be textile, light engineering and agro based industries.
- Manufacturing zones, Industrial Parks, warehouses and logistics hub would be the key development areas
- Internal infrastructure for residential development would include roads, site grading, drainage system, water supply, sewerage & effluent network, STP, ETP, SWM, communication network, utilities and common amenities

Specialized infrastructure for the region manufacturing hub would include testing centre, QC labs, product display centre, administration buildings, training centre, etc.

Industrial park for SMEs at Sadayampalayam (area of 50 acre).

10.ECONOMY

Textile and Clothing Manufacturing hubs in Asia and Europe

Tiruppur is also known as the *knitwear capital* of India, accounting for 90% of India's cotton knitwear export. It has spurred up the textile industry in India for the past three decades. It contributes to a huge amount of foreign exchange in India. In the Fiscal year 2013, exports were ₹ 17,500. The city provides employment to around 400,000 workers, with the average salary per worker being around ₹ 9,000 per month.

- Special Industrial Parks have been developed to support the textile industry. **Nethaji Apparel Park(NAP), Tirupur Export Knitwear Industrial Complex**, SIDCO Industrial Estate and J.S.Apparel Park are a few that are operational. Nethaji Apparel Park has 53 companies manufacturing knitwear for exports.

The NAP presently provides employment to 15,000 people and generates export revenue of Rs. 15 billion from the apparels produced in it. Tirupur Export

Knitwear Industrial Complex was established in 1992 and has 189 sheds built over a 4200 square feet area. Some of the world's largest retailers including C&A, Nike, Walmart, Primark, Adidas, Switcher, Polo Ralph Lauren, Diesel, Tommy Hilfiger, M&S, FILA, H&M, Reebok import textiles and clothing from Tiruppur.

Welfare

Tiruppur has a good educational infrastructure. The city itself has only a few engineering colleges, but the proximal areas and nearby cities of Coimbatore and Erode augurs well. There are 7 Government hospitals at the taluk level with a total number of 896 beds and a total of 43 Primary Health Centres in the rural areas.

11. ENVIRONMENTAL ISSUES

Tiruppur, like any other industrial town, faces its share of environmental pollution complaints. As per the directive of Madras High Court, zero liquid discharge (ZLD) should be strictly followed in Tiruppur knitwear cluster during the effluent treatment process. Failure to implement this order, led to a court ordered closure of all dyeing units and bleaching units. In turn, Tiruppur Exporters Association made a representation to the Government that export revenues of ₹ 11 billion were lost and about 100,000 labourers lost their job due to a closure of dyeing units in Tiruppur.

As per a report by CRISIL, prepared in February 2011, ensuring Zero Liquid Discharge (ZLD), will primarily affect the operational costs of dyeing and bleaching units, increasing it by 7% to 10%. Eventually, by complying with the above order, Tiruppur became the first textile cluster in India to achieve Zero Liquid Discharge in their units. Both the Common Effluent Treatment Plant and Individual Effluent Treatment Plant are in place to treat effluents. Farmers in Tiruppur and its hinterland, who have faced the brunt of the indiscriminate discharge of industrial effluents into the water bodies for the past many decades, are yet again becoming concerned. Untreated effluents, mostly containing dyes and chemicals in high concentration, are now seen let off clandestinely once again in large quantities through storm water drains into water bodies or into open areas with the discharge mostly happening during the early morning hours or during rain.

Transport

The following are the major highways connecting Tiruppur:

- SH-19 : Palladam - Tiruppur - Avinashi
- SH-37 : Tiruppur - Dharapuram
- SH-196/SH-81 : Tiruppur - Gobichettipalayam
- SH-169 : Tiruppur - Somanur
- SH-172 : Tiruppur - Kangeyam

Tiruppur is well connected by mofussil bus services to all major towns and cities across Tamil Nadu, Kerala, Karnataka and Andhra Pradesh. The city has two major bus stands Old bus stand and New Bus stand. The nearest airport is Coimbatore International Airport (45 km) which has regular flights from/to various domestic destinations like Ahmedabad, Bangalore, Bhubaneswar, Chennai, Delhi, Hyderabad, Kolkata, Kozhikode, Mumbai, Pune and international destinations like Sharjah and Singapore. The Tiruppur railway station falls on the fully electrified and double tracked Salem - Coimbatore broad gauge line and is well connected by trains.

12. PLACES OF INTEREST

Major temples in Tiruppur were built during the reign Cholas and Pandyas. Sukreeswarar Temple is a 10th-century temple situated at the outskirts of Tiruppur is considered one of the four 'Sirpa Sthalangal' in Kongu region. An epigraphic study conducted studies at the temple reported that though the temple was built by Pandyas, different inscriptions state that the place was used by tribals to offer poojas to 'Shivalingam' as early as 5th century.

The Town Hall, new railway over-bridge, Tiruppur Kumaran memorial, corporation memorial pillar are some of the landmarks in the Tiruppur city. Some of the common tourist locations outside the city are Sivanmalai, Nanjarayan Tank, Koolipalayam wetlands, Konganagiri hill hock temple, Andipalayam lake, Thirumurugan poondi, Tiruppur Tirupathi temple, Avinashiappar temple and Vazhai Thottathu Ayyankovil.

13. EXPORT GROWTH SCENARIO

1985	2010	2015
19 crore	11,000 crore	20,700 crore

The domestic turnover for the cluster is Rs. 6040 crore.

Exports of knitwear products manufactured in Tiruppur constitute (about 50 percent) of total exports from India.

Contribution to the National Exchequer

The Tiruppur Districts contribution to the National kitty for Public Expenditure is most significant.

The tax revenue of Tiruppur district may be largely ascribed to knitwear sector stakeholders. The direct tax contribution is about Rs. 852.96 crore (2014-15) while

Considering these estimates, four-fold growth in turnover as envisaged in Tiruppur's Vision 2020 could lead to Tiruppur contributing to close to Rs. 3411.84 crore (in current prices) as direct tax contribution and Rs. 1982.96 crore (in current prices) as indirect tax contribution by the year 2020.

Raw material and procurement

- With regard to the raw material and procurement function of firms, there is need to dis-incentivise export of cotton. Other than periodic bans in times of scarcity within the country, a policy of monthly quota on export need also be ideally imposed of perhaps 10 lakh bales per month. Apparently, 265 lakh bales of cotton are required every year by firms in India, of total production of about 434 lakh bales per annum.

-There is also scope to exempt cotton under the Cabotage rule. Exemption from this rule will make sourcing from within India considerably cheaper enhancing competitiveness and conserving fuel resources in land transport.

- A degree of yarn diversification to polyester fabric based products could help lever on the growing demand from this segment in the global context. Other than increasing the product-market mix, going in for polyester and blended yarn based products could also help Tiruppur graduate into high value realization markets and blends and polyester with special finishes are common in the high end market.

Technology Upgradation

- In the medium to long-term context, there is need for initiatives to encourage FDI in the capital goods sector through establishment of dedicated industrial infrastructure as well as leverage investment subsidy schemes such as **Credit Linked**

Capital Subsidy scheme.

-In the short-term, however, productivity and application of technology may be enhanced through imposition of zero duty on import of first and second hand capital goods.

- There is scope to implement best management practices through programmes such as **lean manufacturing systems, 6 sigma** etc. Such systems could be installed in medium and large scale units through a dedicated scheme and advocated to be evolved by the MoT and for mid and small sized units leveraging in the existing related scheme of the **Mo MSME. GoI.**

Manpower and skills

- Tiruppur district requires an additional manpower, at least 5, 00,000 persons to realise Vision 2020 turnover projections. This merits investment in machinery and building outlay of about Rs. 240 crore to train such numbers as well as upgrade manpower skills of part of existing manpower as well as up skill manpower. Such investment may come from the private sector, to an extent leveraging on the NSDC scheme.

14. CLUSTER PROFILE

- The cluster at Tiruppur has a total of about 800 garment manufacturing and exporting firms and 1200 merchant exporters. The cluster has 300 garment manufacturing firms targeting the domestic market. It also has about 1800 job-working garment manufacturing units targeting the domestic market. There are 700 knitted fabric manufacturing units, 425 dyeing units and about 3085 supporting finishing, embellishment, compacting, raising and finishing units. Cluster firms employ about 5.71 lakh persons and directly and indirectly 10 lakh persons.

- In terms of manufacturing process typically, cotton is sourced from North Indian locations like Ahmedabad. Such lint cotton is spun in to yarn of 30s-40s counts in spinning mills in Tiruppur and Coimbatore. Subsequently, yarn is knit in to fabric in units in the cluster. Fabric is then dyed in dyeing units in the cluster followed by subsequent finishing and then printing. Thereafter, garment manufacturing with accessories and embellishments is undertaken.

The cluster has the benefit of a traditional pool of experienced family-businesses and entrepreneurs in the knitting and garmenting segment. Basically, the core manufacturing enterprise stakeholders in the cluster include knitting and garmenting units. The labour forces have been essentially trained on the job.

The cluster firms have access to a range of support institutions and service providers within the cluster (District) as well as in nearby locations. Some of these institutions of direct relevance to cluster firms include the Small Industries Development Bank of India (**SIDBI, Tiruppur**), **District Industries Centre (DIC, Tiruppur District)**, the Apparel Export promotion Council (AEPC, Tiruppur), Textiles Committee (Tiruppur) and the **Micro Small and Medium Enterprise Development Institute** (MSME-DI, Coimbatore).

Some of the other supporting institutions located within the cluster and involved with operations of cluster firms may be viewed in terms of financial institutions such as commercial banks like the **State Bank of India and Canara Bank**. Other FIs ranging from PNB, Indian Bank and IOB play a critical role in financing enterprises. The cluster also has a few co-operative banks

This cluster is also benefited by the presence of many entrepreneur platforms

Tirupur District Cluster Initiatives

No	Name of the Association/SPV	Implementing organisation	Cluster Type	Amount in INR Crore
01	Tirupur Thozhil Pathukappu Kulu (TTPK) floated a SPV in the name of M/s. TTPK Apparel Cluster Private Limited, Tirupur.	DC MSME New Delhi.	Value adding Facility like Printing, Label Weaving, Embroidery etc.	13.5
02	South India Hosiery Manufactures Association (SIHMA) in the name of M/s. SIIMKA Knitex Cluster Services Private Limited, Tirupur.	DC MSME New Delhi.	Knitting Facility.	13.5
03	NIFT TEA Fashion Knitwear College, Tirupur	MSME New Delhi.	Design Studio Facility	13.5

Principal Markets

The main market for cluster output is the USA and the EU for export, and the Indian market for domestic market oriented units.

Products manufactured in the cluster

The major products of the cluster are T-shirts, vests of cotton, baby's garments and men/boy's shirts of cotton etc.

15. FINANCE AND CREDIT

- **Conventional instruments:** The lead bank in the district is the **Canara Bank**. But cluster firms are financed by a range of commercial banks. Term loans are provided with a moratorium on repayment of principal of 6 months to 1 year, and with a 5 year repayment period. Also, relatively few units have been supported yet with **CGTMSE cover**. Few units have realized assistance under the Credit Linked Capital Subsidy **Scheme (CLCSS)**. As indicated, there is therefore considerable scope to enhance links with the TUFs, and the CLCSS and CGTMSE schemes to encourage technology upgrading as well as apt working capital financing of many firms. Such linkages could also help smaller as well as larger units in necessary enterprise upgrading at the unit level. The cluster industry associations have been networking with related institutions in this regard.

16. POWER AND ENERGY

Typically, units have a connected power load of about 5 kVA to 1000 KVA. The dyeing activity is particularly energy intensive due to connectivity with individual and common ETPs. The spinning segment is also energy intensive.

In this context some firms including large exporters have been even going in for wind energy generation and solar plants and many dyeing units are today considering cogeneration options to optimise related costs.

17. ASSOCIATIONS AND ACTIVITIES

Name of the Association/Organisation	Activities
Textiles Committee, Tiruppur	Providing expert inputs in skill development and multi skilling initiatives; co-ordinating QMS and lean manufacturing initiatives particularly for larger firms.
District Industries Centre (Tiruppur District)	To facilitate leveraging of schemes of the State Govt. particularly.

Name of the Association/Organisation	Activities
South India Hosiery Manufactures Association (SIHMA)	To encourage participation of members in a range of PPP Projects.
Tiruppur Exporters Association (TEA)	To encourage participation of members in a range of PPP Projects particularly related to establishments of ware houses abroad and establishment of integrated Industrial parks.
Knit Cloth Manufacturers Association (KNITCMA)	Undertake a range of interventions including establishment of a skill development and value adding facility on the basis of PPPs.
South India Imported Knitting Machines Association (SIIMKA)	Undertake arrange of interventions including a skill development and value adding facility on the basis of PPP.
Dyers Association of Tiruppur (DAT)	To participate in efforts to upgrade as well as enhance capacities of dyeing to compliment expansion of activity of cluster firms.
Tiruppur Industrial Federation	To continue undertaking a range of developmental initiatives for benefit of Industry.
Sripuram Trust	To continue undertaking a range of developmental initiatives for benefit of Industry.
Confederation of Indian Industry	To continue undertaking a range of developmental activity for benefit of industry.
Tirupur Thozhil Pathukappu Kulu	To initiate and co-ordinate projects related to lean manufacturing particularly for MSE units along with the MSME – DI undertake PPP initiatives in the area of skill upgrading.
Texpreneurs Forum	To continue undertaking a range of developmental activity for benefit of industry.
Tiruppur Export Knit Printer's	To continue undertaking a range of

Name of the Association/Organisation	Activities
Association	developmental activity for benefit of industry.
Micro, Small and Medium Enterprise Development Institute (MSME-DI)	The institution can twin a range of instruments under NMCP and MSE-CDP programs for the benefit of the Industry.

NSIC	This institution can facilitate expansion of market mix of domestic market oriented firms into Defence, Sports Authority and other institutional segment areas.
NIFT – TEA	To undertake skill development, Multi-skilling, R&D and incubation related interventions.
SIDBI/Other FIs	To evolve new instruments as to cater to the specific needs of cluster firms.

Confederation of Indian Industry (CII): This body works in close co-ordination with NIFT-TEA and other associations. The CII is also extensively involved in the Vision 2020 building exercise and related advocacy.

Tirupur Thozhil Pathukappu Kulu (TTPK): TTPK has played a pivotal role in advocacy related to dyeing concerns in the region. This body also represents industry in some default cases vis-à-vis industry – marketers. They have also facilitated (CGTMSE links for a few firms). The TTPK also arranges B2B shows to penetrate the domestic market on behalf of the MSE sector. The TTPK could play a key role in establishing lean systems amongst SME firms in the region.

Texpreneurs Forum: This forum serves as a prominent forum of textiles and clothing entrepreneurs comprising about 250 members. About 80 entrepreneurs from Tiruppur and a significant number from Coimbatore constitute this forum, largely involved in advocacy and capacity building of members. The forum undertakes advocacy on cotton policy, duty structures regarding MMF and capacity-building in terms of cotton hedging. The forum is also involved in joint-procurement of some consumables for benefit of members. Notably, the member firms of this federation have a reported total turnover of USD 7 billion per annum.

Tiruppur Export Knit Printers Association (TEKPA): The association represents the interest of printers in the region and has contributed significantly towards the upgradation of the printing segment. The association regularly organises seminars and workshops for benefit of members as well as joint participation in fairs abroad for sourcing equipment and technology. The association represents interest of over 250 members. The Tiruppur Export Knit Printer's Association could take the lead in evolving an SPV to implement upgrading facilities.

OTHER INSTITUTIONS

Micro Small and Medium Enterprise Development Institute (MSME-DI): The MSME-DI, Coimbatore, serves as the field office of the office of the DC-MSME. The MSME-DI, Coimbatore, has been spear-heading cluster development initiatives in the region.

The MSME-DI has also been actively involved in several association led soft interventions in the region, including vendor development-buyer-seller linkage interventions, Quality Management systems related awareness interventions etc. MSME-DI could help leverage on cluster development schemes of the MoMSME for Tiruppur.

NSIC: The NSIC at Coimbatore plays a facilitating role for the development of small enterprises. The institution's tender marketing programme as well as government stores purchase programmes could help cluster firms as well as the SPV tap such markets.

South India Textile Research Association (SITRA): SITRA, an acronym for The South India Textile Research Association, and established in the year 1956, is governed by a Council of Administration consisting of member representatives of the Industry, Government and Scientists. SITRA is sponsored by the Industry and is supported by the Ministry of Textiles, Government of India. This institution particularly supports R & D and training needs of spinning sub-sector stakeholders.

18.INSTITUTIONAL SUPPORT – WHOM TO CONTACT FOR WHAT

S.No	Department	Address
1.	MSME-DI	The Director MSME Development Institute, 65/1, GST Road, Guindy, Chennai-600 032, Br. MSME –DI 386,Patel Road, Coimbatore Branch MSME Development Institute, Shed Nos. 7 & 8, Industrial Estate, Pettai, Tirunelveli - 627 010. Tamil Nadu. India. Branch MSME Development Institute, 76, C.G.E. Colony, Tiruchendur Road, Tuticorin - 628 003. Tamil Nadu. India.
3.	License for Compulsory Licensable items	Secretariat for Industrial Assistance, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry Udyog Bhavan, New Delhi 110 011.
4.	Municipal / Local Body License	Concerned Local Body - Corporation, Municipality, Panchayat Union Tirupur Municipal Corporation, Corporation Building, Tripur Bazar, Tripur
5.	Plan permit	Tiruppur Local Planning Authority, 377, Kamarajar Road, Tiruppur-641604
6.	Registration under Factories Act.	Deputy Chief Inspector of Factories, 14, Perumanallur Road, Tiruppur 638 602.
7.	Registration under Pollution control Rules	District Environmental Engineer TNPCB Kumaran Complex Kumaran Road, Tirupur 641 601
8.	Registration with Fire & Rescue Services	Divisional fire officer, Fire and Rescue Services, Tiruppur Division, Tirupur
9.	NSIC	NSIC Limited Senior Branch Manager 1055 / 10 Gowtham Centre Avnishi road, Coimbatore
10.	F.P.O. - License (for fruits & Vegetable Processing Units and Beverages manufacturers)	Office of the Deputy Director (F&VP) Rajaji Bhavan, Basant Nagar, Chennai – 600 090
11.	Patents & Designs Registration	Sr. Joint Controller of Patents & Designs The Patents Office, Intellectual Property Office Building, G.S.T. Road, Guindy, Chennai - 600 032,
12.	Trade Mark Registration	Assistant Registrar of Trade Marks Trade Marks Registry, Intellectual Property Office Building G.S.T. Road, Guindy, Chennai - 600 032,

13.	Import-Export (I.E.) Code Number	Office of Zonal Joint Director General of Foreign Trade 4th & 5th Floor, Shastri Bhavan Annex, 26, Haddows Road, Chennai - 600 006
14.	ISI Mark	Management Systems Certification Officer, Bureau of Indian Standards, C.I.T. Campus, IV Cross Road Chennai – 600 113
15.	SIDCO	The Branch Manager, SIDCO Branch Office, SIDCO Industrial Estate, Kurichi, Coimbatore – 641 021
16.	Lead Bank	Lead District Manager, Canara Bank, Tiruppur
17.	TIIC	Branch Manager Kumaran Shopping Complex, II Floor, Near Railway Station, Tirupur
18.	Finance under KVIC Scheme(PMEGP etc)	Khadi and Village Industries Commission, 20, Mariamman Temple Street, Avarampalayam, Coimbatore - 641006,

19. LICENSING AUTHORITIES – KEY CONTACTS

Sl. No.	Product Line / Activity	Licensing Authority
1	Approval of production programme for items compulsorily licensable	Production programme approval is not necessary but while obtaining for provisional registration brief project outline is submitted to DIC / Development Commissioner (SSI) New Delhi through State Directorate of Industries.
2	For units functioning in places other Industrial Estate / approved Developed Plots	License from Corporation Commissioner Municipal authority or Panchayat Board.
3	Manufacture of Drugs and Cosmetics	State Drug Controller, Drug Control Administration.
4	Fruits & Vegetable based products	Dy. Director, Food & Vegetable Preservation-Shastri Bhavan.
5	Units employing 10 or more workers (power used) or 20 or more workers (power not used) approved under Factories Act	Chief Inspector of Factories.
6	Effluent disposal	Clearance from District Health Officer, Director of Public Health, Pollution Control Board
7	Registration under Sales	Local Joint Commercial Tax Officer

	Tax Act	
8	Registration under Central Excise Act	Superintendent of Central Excise of the area or Collector of Central Excise.
9	Power Connection	Local Assistant Divisional Engineer
10	Registration Partnership Firm	Inspector General of Registration, 26, Rajaji Salai, Chennai
11	Details of ISI Specification (Now known as BIS)	Bureau of Indian Standards Southern Regional Office, Taramani, Chennai-600 113.