

**Guidelines for Promotion of Indian Brands in Leather, Footwear and Accessories**  
**Sector sub-scheme of Indian Footwear, Leather & Accessories Development**  
**Programme**

## **1. Background**

Leather and footwear Sector occupies a very important place in the Indian economy on account of its substantial export earnings, potential for creation of employment opportunities and favorable conditions for its sustained growth. There is a large potential to increase the domestic production and exports.

However Indian exports in the Leather, Footwear and Accessories sector mainly cater to International brands. Although the large Indian suppliers have gained a wealth of knowledge and hands on experience over the years catering to these international brands and have the wherewithal to create their own Brands to be a major player in the market, yet marketing initiatives are poor and negligible at the industry and company level due to low margins of profit in the sector, the large players are not investing in brand building.

A brand is understood as the key to “wealth creation” and is used as a vehicle to create demand. It is integral to the business process; it is a wholesome experience which embodies quality assurance, product service, customer familiarity, repeat purchase and fulfillment of one’s expectations.

## **2. Objective**

This sub-scheme of ILDP aims at providing international branding support to leading Indian manufacturers in Leather, Footwear and Accessories sector to achieve Brands as Assets and higher valuations for their products and facilitate access to Indian products in the international niche market, shoring up bottom lines and top lines of the sector.

## **3. Eligibility Criteria**

All Indian Manufacturers in the Leather, footwear and accessories sector including finished leather, leather goods, leather garments, saddlery, footwear and footwear components industries having (i) cash profits for last 3 years, (ii) having minimum exports of Rs.75 crore per year of products manufactured by them or having minimum domestic sales of Rs.75 crore per year of products manufactured by them, (iii) Indian Brands having registered logo in Indian/overseas market, undertaking viable brand promotion programmes.

#### **4. Eligible Activities**

##### **a) Displays in International Departmental Store:**

Tie up with Local distributors/major stores shall be used as a tool for promoting particular Indian brand and its products. International Departmental Stores chains would be identified on the basis of marketing studies/surveys.

##### **b) Publications of World Class Catalogues:**

World class catalogues for Indian brands and its products for use in the identified markets would help in facilitating market access and creation of Indian brands and its products in international markets. The eligible Indian companies in Leather, Footwear and Accessories sector may create these catalogues suitable for identified markets.

##### **c) Registration Charges for Indian Brand/Logo overseas**

Under the scheme assistance will also be provided on reimbursement basis to Indian manufacturers for registering their brands in International Market, wherever required or for fulfilling statutory requirement in buyer countries.

##### **d) Publicity Campaign and Brand Promotion:**

Intensive publicity campaigns for an Indian brand in the Leather, Footwear and Accessories sector and its products in identified markets through focused and extensive deployment of the right media tools to maintain recall of the Indian brand and its products through extensive usage of digital, social, electronic, outdoor and print media, to communicate to the respective global business community in Leather, Footwear and Accessories sector.

#### **5. Implementation Methodology**

a) The benefits under the scheme would be available to the Indian manufacturer (as per para-3) engaged in Leather, Footwear and Accessories business and intent to scale up their production and capacities and compete with the international players and those investing for brand building and upgrading the infrastructure..

b) The eligible Indian manufacturer would prepare the proposal in consultation with the designated Agency prescribed for this purpose by DIPP, who will function as implementing agency for the sub-scheme. Thereafter, the eligible Indian manufacturers would submit their detailed project proposal to the Steering Committee constituted for this purpose through the same designated Agency. The Steering Committee would consider the proposal based on the Detailed Project Report (DPR).

c) **The designated agency** would also be responsible for monitoring and concurrent evaluation including carrying out mid-term and terminal evaluation of each project sanctioned under this sub-scheme.

d) Clear deliverables may be laid down for beneficiary units in form of outcomes such as increase in exports, higher value realization, etc., from baseline values.

## 6. Definition

i) **“Manufacturing”**, with its grammatical variations for this sub-scheme would mean a change in a non-living physical object or article or thing-

(a) resulting in transformation of the object or article or thing into a new and distinct object or article or thing having a different name, character and use; or

(b) bringing into existence of a new and distinct object or article or thing with a different chemical composition or integral structure.

iii) **Indian brands** should be owned and controlled by resident Indian citizens and/or companies which are owned and controlled by resident Indian citizens. The definition of ownership and control would be same as laid down in Foreign Direct Investment (FDI) policy of Government.

## 7. Pattern of Assistance

a) The Government assistance under this sub-scheme of ILDP would be restricted to 50% of total project cost for all eligible activities as per the approval of steering committee based on the total project cost of detailed project proposal submitted, subject to a limit of Rs.3 Crore for each brand, each year for the next 3 years. The share of the Indian manufacturer would be balance 50% of the project cost

b) The designated agency for implementation and monitoring would be eligible for 1% of the GOI assistance as implementing agency.

## 8. Release of Fund

a) Approved Indian manufacturers, as the case may be, shall maintain an exclusive project specific Trust and Retention Account (TRA) in any nationalized Bank, and the funds from the Government will be released into that account. After approval of proposal, the Government would release its share of assistance in 3 phases for the approved proposal as per the following schedule:

b) **First installment:** 40% of the assistance, as advance, on final approval of the project and on producing the statement of project specific TRA reflecting the proportionate contribution (i.e. 40% of the share of the unit) deposited by the Indian manufacturer in the TRA.

c) **Second Installment:** 30% of the assistance after submission of full utilization of the first installment and on producing the statement of project specific TRA reflecting the proportionate contribution (i.e. 30% of the share of the unit as 2nd installment) deposited by the Indian manufacturer in the TRA.

d) **Third and Final Installment:** 30% of the assistance on reimbursement basis after submission of all relevant documents for completion of the project, the utilization of the previous installments of GOI grant and full utilization of the 100% share of the unit and on producing the statement of project specific TRA reflecting the proportionate contribution (i.e. 30% of the share of the unit as 3rd installment) deposited by the Indian manufacturer in the TRA.

## **9. PROJECT MONITORING AND EVALUATION**

a) Apart from the monitoring by designated agency as mentioned at para 5 above, the Department will periodically monitor and review the progress of the projects under the scheme through Steering Committee at least once every quarter.

b) The designated agency as mentioned at para 5 above will devise a concurrent monitoring and evaluation system and shall submit periodical reports / returns to the Department once every quarter.

## **10. OTHER TERMS & CONDITIONS**

a) The Government financial assistance cannot be utilized for purposes other than for which it has been sanctioned.

b) In case the Indian manufacturer becomes non-operational within two years of the receipt of Government financial assistance, it will be liable to refund the financial assistance availed, along with the interest to be charged from the date of closure, till date of refund at the prime lending rate of nationalized bank (as the case may be).

c) In case at any time it is found that financial assistance from Government has been availed of on the basis of any false information, the individual unit shall be liable to

refund the amount of Government financial assistance, along with interest to be charged, from the date of disbursal to date of refund. The rate of interest shall be the prime lending rate of the Bank at the time of invoking this penal clause.

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