

## **V. Guidelines for Brand Promotion of Indian Brands in Footwear and Leather Sector sub-scheme of Indian Footwear and Leather Development Programme(IFLDP)**

### **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 Footwear and Leather 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 aims at providing international branding support to leading Indian manufacturers in Footwear and Leather 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 Footwear and Leather 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. 50 crore per year of products manufactured by them or having minimum domestic sales of Rs. 50 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. Display through usage of digital or electronic media shall also be assisted.

##### **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 Footwear and Leather sector may create these catalogues suitable for identified markets through usage of digital, social, electronic or print media.

##### **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 Footwear and Leather 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 or print media, to communicate to the respective global business community in Footwear and Leather sector.

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

a) The benefits under the scheme would be available to the Indian manufacturer (as per para-3) engaged in Footwear and Leather 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 project proposal would be prepared by the eligible Indian manufacturer in consultation with the designated agency which would be placed before the Steering Committee constituted for this purpose, through the same designated Agency.

c) A designated agency shall be appointed for the sub-scheme with the approval of Empowered Committee. The designated agency may be an institute like National Institutes of Design (NID), National Institute of Fashion Technology (NIFT), India Brand Equity Foundation (IBEF), Indian Institute of Foreign Trade (IIFT) or institutes of similar standing. The designated agency will periodically review and present before the Steering Committee the impact of the fund allotted to the beneficiary by an increase in its actual exports.

## 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.

ii) **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 FLADP 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) An appropriate amount would be paid to the designated agency for implementation and monitoring of the projects.

## 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.

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

## **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 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 disbursement 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.

- c) For the purpose of monitoring and verification of progress/proper utilisation of benefits, an appropriate system, including targets for physical verification by Group A/Class I officers will be set by the empowered committee.
- d) Digital portal for beneficiaries in all sub-schemes enabling proper identification and monitoring of beneficiaries/benefits is being established.
- e) Provision of these guidelines can be modified with the approval of Secretary, DPIIT.

\*\*\*\*\*