

UPGRADATION OF TECHNOLOGY IN TEXTILE SECTOR

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector
incl. MSMEs and PSUs

Ministry of Textiles has been implementing Technology Upgradation Funds Scheme (TUFS) since 1999 to facilitate technology upgradation of textiles industry in the country. The scheme has undergone changes from time to time in terms of patterns of assistance provided and level of machinery upgradation desired. The present version of the scheme i.e. Amended TUFS (ATUFS) was launched in January 2016 to adopt innovative new technology in all the sub-sectors of textiles industry except Spinning by way of one time Capital Investment Subsidy (CIS) for eligible benchmarked machinery for a period of seven years from 2015-16 to 2021-22. The scheme aims to promote ease of doing business in the country, achieve the vision of generating employment and promoting exports through "Make in India" with "Zero effect and Zero defect" in manufacturing and promoting domestic textile clusters. Every eligible individual entity is entitled for reimbursement of CIS under this scheme as per the rates given at **Annexure**.

The budget allocation for Technology Upgradation Fund Scheme (TUFS) during past five years is as given in table:

(Rupees in crore)

S.No.

Financial Year

Budget Estimates

1.

2015-16

1520.00

2.

2016-17

1480.00

3.

2017-18

2013.00

4.

2018-19

2300.00

5.

2019-20

700.00

ATUFS is implemented through i-TUFS portal which is an end-to-end solution with features like Automatic UID generation upon registration of subsidy applications, submission of documents through digital signatures, geo-tagged and time stamped photographs of machinery, tracking of claims etc. Geo-tagging of installed machinery during physical verification has helped in ensuring credentials and location of the assets for which subsidy has been claimed. Provision of mandatory digital signature for submission of applications and verification of the claims has helped in ensuring the authenticity of claims and improved transparency.

This information was given in a written reply by the Union Minister of Textiles, Smt. Smriti Zubin Irani in Rajya Sabha today.

Annexure

Rate of reimbursement of Capital Investment Subsidy (CIS) under ATUFS

S. No.

Segment

Rate of CIS

1.

Garmenting, Technical Textiles

15% subject to an upper limit of Rs 30 crores

2.

Weaving for brand new Shuttle-less Looms (including weaving preparatory and knitting),
Processing, Jute, Silk and Handloom.

10% subject to an upper limit of Rs 20 crores

3(a)

Composite unit /Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is more than 50% of the eligible project cost.

15% subject to an upper limit of Rs 30 crores

3(b)

Composite unit/ Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is less than 50% of the eligible project cost.

10% subject to an upper limit of Rs 20 crores

BY

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BY

END

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