

LOK SABHA  
UNSTARRED QUESTION NO.2048  
TO BE ANSWERED ON 29.11.2019

TECHNOLOGY UPGRADATION FUND SCHEME

2048. SHRI HEMANT TUKARAM GODSE:

Will the Minister of TEXTILES वस्त्र मंत्री  
be pleased to state:

- (a) the salient features of the restructured Technology Upgradation Fund Scheme (TUFS) implemented by the Government;
- (b) the funds allocated, released and utilised under the scheme during each of the last three years and the current year, State-wise including Maharashtra;
- (c) whether the Government has formulated any action plan for providing employment opportunities to the youth by linking the said scheme with 'Make in India' programme; and
- (d) if so, the details thereof?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति ज़ूबिन इरानी)

MINISTER OF TEXTILES  
(SMT. SMRITI ZUBIN IRANI)

- (a): The salient features of Restructured Technology Upgradation Fund Scheme (RTUFS) are detailed in Annexure-I.
- (b): RTUFS was approved with an overall outlay of Rs. 1972 crore. The subsidy under the scheme is disbursed based on the claims submitted by the banks/lending agencies. Details of year-wise and state-wise subsidy released under RTUFS during the last three years and the current year are given at Annexure –II.
- (c) & (d): Technology Upgradation Fund Scheme (TUFS) was revamped as Amended Technology Upgradation Fund Scheme (ATUFS) in line with "Make in India" initiative for implementation during 2016-2022, with a projected employment for 35 lakh persons. Considering the scope of generating maximum employment per unit investment, higher incentives (15% Capital Investment Subsidy) have been provided to garmenting segment under ATUFS. Scheme for Production and Employment Linked Support for Garmenting Units (PELSGU) was also notified under ATUFS to incentivise production and employment generation in the garmenting and made-ups sectors by providing additional incentive of 10% on achievement of employment projected by the units.

## **Annexure-I**

### **Salient Features of the Restructured Technology Upgradation Fund Scheme (RTUFS)**

1. RTUFS was approved with an overall subsidy cap of Rs. 1972 crore, with sectoral investment cap of 26% for spinning, 13% for weaving, 21% for processing, 8% for garmenting and 31% for 'others',
2. Segments covered and rate of subsidy under RTUFS is given below:

#	Segment	Interest Reimbursement (IR)	Capital Subsidy	MMS* in Lieu of IR for SSI units
1	Spinning	4%	Nil	Nil
2	Weaving Preparatory	5%	10%	20%
3	Weaving - New Machine	5%	10%	20%
4	Weaving -Second Hand	5%	10%	20%
5	Processing	5%	10%	15%
6	Garmenting and Made-ups Manufacturing	5%	10%	15%
7	Technical Textiles and non-wovens/ Converters	5%	10%	15%
8	Composite Upgradation / Multi Activities	5%	10%	15%
9	Others ( Ginning & Pressing, Twisting & Texturising, Embroidery, Knitting, VSF, Jute etc)	5%	Nil	15%
10	Others ( Handloom and Silk)	5% IR or 25%CS		

#### **\*Margin Money Subsidy**

3. Additional option to the powerloom units and independent preparatory units to avail of 20% Margin Money subsidy under Restructured TUF in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 500 lakh and ceiling on margin money subsidy of Rs.60 lakh. However, for brand new shuttleless looms the ceiling on margin money subsidy was Rs.1 crore. A minimum of 15% equity contribution from beneficiaries.
4. The Scheme covers only automatic shuttleless looms of 10 years' vintage and with a residual life of minimum 10 years.
5. Interest reimbursement for a period of 7 years including 2 years implementation / moratorium period.

## Annexure-II

### State-wise and Year-wise subsidy released under RTUFS

(In Rs. crore)

Name of State/UT	Year			Total
	2016-17	2017-18	2018-19	
Andhra Pradesh	21.99	18.62	6.40	47.01
Assam	0.64	0.63	0.10	1.37
Bihar	0.02	0.02	-	0.04
Chandigarh	0.34	0.28	0.05	0.67
Chattisgarh	0.86	0.40	-	1.26
Dadra & Nagar Haveli	21.08	12.35	4.61	38.04
Daman & Diu	0.80	0.02	-	0.82
Delhi	3.24	2.73	1.31	7.28
Gujarat	125.96	111.78	25.69	263.43
Haryana	7.62	2.10	0.59	10.31
Himachal Pradesh	8.63	5.94	2.31	16.88
Jammu & Kashmir	1.18	0.75	0.45	2.38
Jharkhand	0.04	-	-	0.04
Karnataka	18.61	19.27	3.01	40.89
Kerala	0.65	0.33	0.04	1.02
Madhya Pradesh	59.71	47.68	10.72	118.11
Maharashtra	64.69	40.71	11.21	116.61
Orissa	0.03	-	-	0.03
Pondichery	0.03	-	-	0.03
Punjab	93.25	70.46	22.33	186.04
Rajasthan	32.99	19.58	3.96	56.53
Tamil Nadu	25.73	16.84	4.53	47.10
Telangana	5.83	1.79	0.36	7.98
Uttar Pradesh	2.54	2.75	0.35	5.64
Uttaranchal	2.60	1.78	0.04	4.42
West Bengal	7.01	6.47	2.40	15.88
<b>Total</b>	<b>506.07</b>	<b>383.28</b>	<b>100.46</b>	<b>989.81</b>

\* No subsidy under RTUFS has been disbursed during 2019-20

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