



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
(Sponsored By Government of INDIA)

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To: Members of the Council

Sub: Amended TUF Scheme

Dear Member,

We are glad to inform you that the Government today has approved the much awaited Amended Technology Upgradation Fund Scheme (A-TUFS) in place of the existing Revised Restructured TUFS for technology upgradation of the textiles industry. The decision was taken at a meeting of the Cabinet Committee on Economic Affairs (CCEA) chaired by the Hon'ble Prime Minister.

All cases pending with the Office of Textile Commissioner which are complete in all respects shall be provided assistance under the ongoing scheme and the new scheme will be given prospective effect. A budget provision of Rs 17,822 crore has been approved, of which Rs 12,671 crore is for committed liabilities under the ongoing scheme, and Rs 5,151 crore is for new cases under A-TUFS.

Under the new scheme, there will be two broad categories — apparel, garment and technical textiles — where 15 per cent subsidy would be provided on capital investment, subject to a ceiling of Rs 30 crore for entrepreneurs over a period of five years. The remaining sub-sectors would be eligible for subsidy at a rate of 10 per cent, subject to a ceiling of Rs 20 crore on similar lines.

The implementation of the scheme would be executed and monitored online under I-TUFS, launched in April 2015.

The amended scheme would give a boost to Make in India initiatives in the sector and is expected to attract investment to the tune of Rs 1 lakh crore and create over 30 lakh jobs.

The new scheme specifically targets employment generation and export by encouraging apparel and garment industry, which will provide employment to women in particular and increase India's share in global exports.

It will also facilitate promotion of Technical Textiles, a sunrise sector, for export and employment in the sector and promote conversion of existing looms to better technology looms for improvement in quality and productivity.

The A-TUFS will encourage better quality in processing industry and check the need for import of fabrics by the garment sector.

The regime was modified earlier for the period during the 12th Five Year Plan. A sum of Rs 11,952 billion rupees has been provided to attract investment of Rs 1,51,000 crore during the period 2012-2017. Out of this, Rs 9,290 billion rupees was intended for the liabilities incurred and Rs 2,662 billion rupees for new investment. The amount foreseen for the new investments have been exhausted, and this is why the Ministry of Finance has been approached to improve the allocation.

This is for your information.

Regards,

Siddhartha Rajagopal
Executive Director

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