



AEPC Circular No.- 62

Dr. L.B. Singhal

(Ph.D., MBA, LLB, B.Sc.)

Secretary General, AEPC

AEPC/HO/SG/R&PA/2022

January 13, 2022

Dear Members,

Sub: Draft Textiles Technology Development Scheme (TTDS), to replace ATUFS from 1.4.2022.

The Technology Upgradation Fund Scheme (TUFs) for textile sector was started from 1.4.1999. It was revised / modified from time to time i.e. on 01.04.2007, 28.04.2011 and 01.04.2021. The present scheme, ATUFS has been there since 13.01.2016 . **The exporters may please note that the present ATUF scheme is available / valid till 31.3.2022.**

2. The Ministry of Textiles is in the process of formulating a new scheme to replace the ongoing Amended TUFs, which is valid up to 31.03.2022. A PowerPoint Presentation giving broad contours of the proposal for the new Scheme is attached for information.

3. In the attached PPT, MOT has proposed 3 scheme components as follows:-

Scheme Part-1: Promotion of Textile Machinery Manufacturing

i) In Scheme Part-1 proposal, the reimbursement of 30% of capital investment on machinery, Equipment with Overall cap of Rs.50 crore for investment above Rs.250 crore is there. The scheme also encourages much needed joint ventures and R&D / manufacturing of components and accessories.

ii) At present the scheme requires 20 % value addition in India for 1st year of Scheme. Given the gestation period due to installation and adoption time taken, the 20% value addition requirement in the 1st year of the scheme may be reviewed. Also the subsequent requirement of 40%, 60% and 80% of value addition for 2nd, 3rd and 4th year respectively may be reviewed as they may be steep for new units.

Scheme Part-2 (a)- Support for New Integrated Manufacturing Units

The scheme provides for support @ 25% of capital investment in Plant & Machinery, subject to an upper limit of Rs 15 crore. In respect of Garment Manufacturing units, the proposed guidelines, provides as follows:

i) Integrated garment Manufacturing /made ups manufacturing unit manufacturing readymade garments with an annual installed capacity of 4000 units/day of woven product and 8000 units/day of knitted products (about 560 machines of which 315 stitching/sewing machines & rest other supporting machines).

ii) Integrated garment and /or different locations of Manufacturing /made ups manufacturing unit in different locations)manufacturing readymade garments with installed capacity of 30000 units/day of woven product and 60000 units/day of knitted products of about 4500 machines of which 2500 stitching/sewing machines & rest other supporting machines)

Scheme Part-2 (b)

The scheme proposes continuation of technology upgradation as per ATUF with higher 25% of support.

One entity can avail benefit under one scheme part only i.e. either 2(a) or 2(b).

4. **The Trade is requested to go through the attached PPT and share their valuable views on the proposal by 18th January, 2022, so that the same could be taken up with the Office of the Textile Commissioner/Ministry of Textiles for their consideration.**

With warm regards,

Yours sincerely,

Dr. L.B. Singhal

Secretary General