

# Work starts on ₹16,600-crore scheme to boost manufacturing in textiles, may be announced in Budget

**Synopsis**

The textile ministry has proposed investment and value-addition linked incentives under the scheme. Incentives for technology transfer in case of joint ventures by foreign manufacturers, and support for research and development and commercialisation, are also likely to figure in the planned scheme.

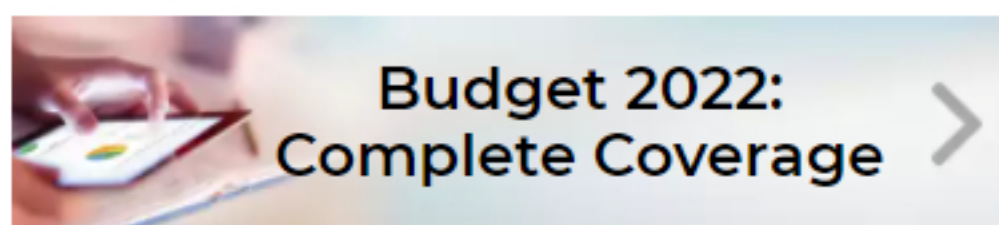


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The government has begun work on a new scheme with an outlay of about Rs 16,600 crore for the next five years for textile machinery manufacturing, support to technology upgradation in existing clusters and micro, small and medium enterprises (MSMEs), and support for new integrated manufacturing facilities in various segments including spinning, weaving and knitting.

The new scheme, Textile Technology Development Scheme, might be announced in the upcoming [Union budget](#). It will replace the Amended Technology Upgradation Fund Scheme ([ATUFS](#)), which ends on March 31, 2022.

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## Sops in the Offing

- ▶ **Textiles ministry** working on a new scheme to replace **ATUFS**
- ▶ **60 components** of textile machinery, accessories to get support
- ▶ **Crucial to reduce** imports, most machine, accessory imports from China
- ▶ **₹16,600 crore** scheme for machine manufacturing, new integrated units
- ▶ **Tech upgradation** sops likely for existing clusters, MSMEs

**Textile Technology Development Scheme to come into effect on April 1**

Agencies

"The scheme is at a conceptual stage and is awaiting approvals from various levels. There might be a new name for the scheme," said an official, who did not wish to be identified.

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The Technology Upgradation Fund Scheme was launched in 1999 and has been modified many times since then. "We have done industry consultations, and the proposed scheme has two new components - textile machinery and integrated modern facilities," said the official.

The thrust on manufacturing textile machinery is crucial as India imported shuttle-less looms, sewing machines and knitting machines, among others, and accessories such as spindles and needles worth almost Rs 72,000 crore in the past five years, mostly from China.

The textile ministry has proposed investment and value-addition linked incentives under the scheme. Incentives for technology transfer in case of joint ventures by foreign manufacturers, and support for research and development and commercialisation, are also likely to figure in the planned scheme as it seeks to encourage indigenous manufacturing of machinery with a focus on the garmenting sector.

Thresholds and caps for the incentives are also in the works, according to the official.

"Sustainability, compliance, innovation and job creation are the focus areas of the new scheme. It aims to improve scale and technology simultaneously through integrated modern textiles manufacturing," an industry representative involved in the consultations said on condition of anonymity.