

Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU)

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SPELSGU scheme under Amended Technology Upgradation Fund Scheme (A-TUFS)

The Ministry of textiles has also notified the Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) under ATUFS to incentivize production and employment generation in the garmenting sector in 2016.

Objectives

To boost employment generation in the textile sector, the Government would provide an additional 10% Capital Investment Subsidy (CIS) for garmenting units which have availed 15% CIS benefit under ATUFS based on the achievement of projected production and employment after a period of 3 years. The period of 3 years will be counted from the date of release of ATUFS subsidy to that unit.

General Eligibility Conditions

The garmenting units (garment I apparel) who have availed 15% CIS under ATUFS and fulfill the achievement of the production and employment generation after three years period as given below are only eligible for additional 10% CIS under SPELSGU of ATUFS.

- The production made during the last 3 years is equal to or more than the expected production as per DPR and norms under GR (Ratio as per DPR subject to minimum investment to turnover ratio of 1:3.5).
- The employment generated during the last 3 years is

equal to or more than the expected employment generation as per DPR and norms under GR (as per DPR subject to a minimum of the industry norm of 70 jobs per one crore rupees of investment).

Norms for eligible subsidy

Every eligible garmenting units which has availed 15% benefit under ATUFS will be paid an additional 10% Capital Investment Subsidy (CIS) on the eligible investment upto an additional maximum cap of Rs. 20 crores. Thus, the total cap on subsidy for such a unit is enhanced under ATUFS from Rs.30 crores to Rs. 50 crores (Rs. 30 crores for 15% CIS and Rs. 20 crores for additional 10% CIS respectively). This additional subsidy will be disbursed after a period of 3 years. This Will be based on a verification mechanism linked to production volume, employment and turnover

Amended Technology Upgradation Fund Scheme

- Launched under the Ministry of Textiles, Amended Technology Upgradation Fund Scheme (ATUFS) is a credit linked subsidy scheme for capital investment in the textiles and manufacturing sectors.
- ATUFS is an initiative by the Government of India with aim of the 'Make in India' and 'Zero Defect and Zero Effect' campaigns.

Eligibility

Only those entities that fall under the following sectors are eligible to apply:

- Weaving, Weaving Preparatory and Knitting
- Processing of fibres, yarns, fabrics, garments and made up
- Handloom Sector
- Silk Sector
- Jute Sector

- Garment/Made up manufacturing
- Technical textiles

This scheme would facilitate augmenting of investment, productivity, quality, employment, exports and import substitution in the textile industry.

It will also indirectly promote investment in textile machinery manufacturing.