

# PowerTex India

(COMPREHENSIVE SCHEME FOR POWERLOOM SECTOR DEVELOPMENT)



**OFFICE OF THE TEXTILE COMMISSIONER  
MINISTRY OF TEXTILES, GOVERNMENT OF INDIA  
1<sup>st</sup> April, 2017**

# PowerTex India

(COMPREHENSIVE SCHEME FOR POWERLOOM SECTOR DEVELOPMENT)

- A Comprehensive Scheme for Powerloom Sector Development is launched as **PowerTex India** and the same comes into effect on 1<sup>st</sup> April, 2017 and would be for duration up to 31<sup>st</sup> March, 2020, with the following components.
  1. [ATUFS](#)
  2. [In situ Upgradation of Plain Powerlooms](#)
  3. [Group Workshed Scheme](#)
  4. [Yarn Bank scheme](#)
  5. [Common Facility Centre \(CFC\) scheme](#)
  6. [Pradhan Mantri Credit Scheme for Powerloom Weavers](#)
  7. [Solar Energy Scheme for Powerlooms](#)
  8. [Facilitation, IT, Awareness, Market Development and Publicity for Powerloom Service Centres \(PSCs\).](#)
  9. [Tex Venture Fund](#)
  10. [Group Insurance Scheme \(GIS\)](#)

# Technology Upgradation Fund Scheme (TUFS)



- To catalyse investments for technology upgradation on benchmarked machinery in all the sub-sectors of textiles including jute industry
- Till RRTUFS, Scheme was lending agency driven
- MoT/TxC released subsidy after due diligence and verification by the bank
- ATUFS: Due diligence and verification of assets by TxC.

# Benefits Under ATUFS

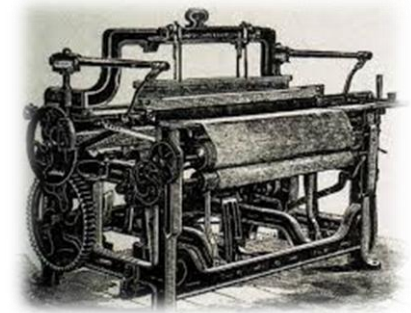
Sl. No.	Segment	Rate of Capital Investment Subsidy (CIS)	CIS per individual entity
1.	Garmenting, Technical Textiles	15% on eligible Machines	Rs. 30 Crore*
2.	Weaving for brand new Shuttle-less Looms (including weaving preparatory and knitting), Processing, Jute, Silk and Handloom.	10% on eligible Machines	Rs. 20 Crore*
3(a)	Composite unit /Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is more than 50% of the eligible project cost.	15% on eligible Machines	Rs. 30 Crore*
3(b)	Composite unit/ Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is less than 50% of the eligible project cost.	10% on eligible Machines	Rs. 20 Crore*



\* If applicant availed subsidy under RRTUFS, will be eligible for only the balance amount within the overall ceiling fixed for an individual entity.

ATUF Scheme is Direct Benefit Transfer (DBT) compliant.

# In-situ Upgradation of Plain Powerloom



- GOI Subsidy has been enhanced for upgradation of plain powerlooms into semi automatic looms and shuttleless Rapier looms by way of installation of specified kits.
- Powerloom units having **upto 8 looms** are eligible.
- Amount of GOI subsidy to be provided is as under:

Type of Technology	GOI Subsidy per loom (in Rs.)		
	General (50%)	SC (75%)	ST (90%)
Plain loom to semiautomatic shuttle loom	20,000	30,000	36,000
Semi automatic shuttle loom to shuttleless Rapier loom	25,000	37,500	45,000
Plain loom to shuttleless Rapier loom	45,000	67,500	81,000

# Group Workshed Scheme (GWS)



- **Objective**

- To facilitate the establishment of Worksheds for shuttleless looms in an existing or new cluster, which will provide required scale of economy for business operations.
- To organise powerloom units in a cluster and to provide improved working condition in terms of more space, work environment, improve the work efficiency to enhance their competitiveness in the global market.

- **Eligible Beneficiaries**

- State Govt. (or) its agency
- A registered Cooperative Society
- A Company set-up under Companies Act, 1956 as amended (or) a firm set-up under **the Limited Liability Partnership Act, 2008 as amended**, by a group of powerloom owners (minimum of **Four beneficiaries**)
- The local powerloom association.
- At least **24 nos. of shuttleless looms of width upto 230 cms** (or) **16 nos. of shuttleless looms of wider width i.e. 230 cms and above** must be installed.
- Additional subsidy for construction of Dormitory for accommodation of minimum 1.25 persons per powerloom will be provided @ **125 Sq.ft per person**.
- **2352 shuttleless looms** targeted for installation for next three years (01.04.2017 to 31.03.2020).
- **Rs.72 cr** has been earmarked for the component of GWS for next three years (01.04.2017 to 31.03.2020).



# Yarn Bank Scheme



- **Objective**
  - To provide interest free corpus fund to Special Purpose Vehicle (SPV) / Consortium to enable them to purchase yarn at wholesale rate and give the yarn at reasonable price to the small weavers.
- Minimum **11 members** required to form SPV
- SPV must be a
  - Registered Cooperative Society
  - Trust
  - Company set-up under Companies Act, 1956 as amended
  - Firm set-up under the Limited Liability Partnership Act, 2008 as amended
  - Max. GOI interest free corpus fund **Rs.2 cr.**
  - SPV has to provide Bank Guarantee equal to an amount of 25% of Govt. of India share.
  - **12 projects** targeted to set-up yarn bank for next three years (01.04.2017 to 31.03.2020).
  - **Rs.24 cr** has been earmarked for the component of Yarn Bank for next three years (01.04.2017 to 31.03.2020).



# Common Facility Centre (CFC) Scheme



- **Objective**

- To provide financial assistance for setting-up of common facility centres design centre / studio, testing facilities, training centre, information cum trade centre and common raw material / yarn / sales depot, water treatment plant for industrial use, **dormitory, workers' residential space**, common pre-weaving facilities viz. Yarn dyeing, Warping & Sizing, **Twisting etc.**, and post weaving facilities **viz. Processing, etc.**,

- Minimum **11 members** required to form SPV
- SPV must be a
  - Registered Cooperative Society
  - Trust
- State Govt./State Govt. agencies
- Company set-up under Companies Act, 1956 as amended
- Firm set-up under the Limited Liability Partnership Act, 2008 as amended
- Max. GOI subsidy **Rs.2 cr.**
- More than one CFC project can be established in a cluster.
- **12 projects** targeted to set-up CFC for next three years (01.04.2017 to 31.03.2020).
- **Rs.24 cr** has been earmarked for the component of CFC for next three years (01.04.2017 to 31.03.2020).



# Pradhan Mantri Credit Scheme for Powerloom Weavers



- **Objective**

- To provide financial assistance viz. Margin Money Subsidy and interest reimbursement as against the credit facility (term loan) availed under **Pradhan Mantri Mudra Yojana (PMMY)** to the decentralized powerloom units / weavers.
- Margin Money Subsidy as against the credit facility (term loan) availed under **Stand-up India scheme** by the SC, ST & Women Entrepreneur of the decentralized powerloom units / weavers to meet their credit requirements such as for investment needs (Term Loan) and for working capital etc.

- **Under PMMY**

- **Eligible Powerloom units:** Existing individual powerloom units (or) New individual / group enterprises involved in weaving activity.
- **Financial Assistance:** Margin money @**20%** of project cost with a ceiling of **Rs.1 lakh** along with Interest Subvention @ **6% per year** both for working capital and term loan will be provided **upto 5 years**
- **450 units** targeted for next three years (01.04.2017 to 31.03.2020)
- **Rs.10 cr** has been earmarked for the said component for next three years (01.04.2017 to 31.03.2020).

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# Pradhan Mantri Credit Scheme for Powerloom Weavers



- **Under Stand-up India**
- **Eligible Powerloom units:** (i) Only new powerloom units established by a person who belongs to a Scheduled Caste (SC) or Scheduled Tribe (ST) or is a woman entrepreneur  
(ii) In case of non-individual units at least 51 % of the share holding and controlling stake should be held by either an SC (or) ST (or) women entrepreneur.
- **Financial Assistance: 25% Margin Money** on the project cost, the borrower is required to bring in 10% of the Project Cost as his/her own contribution.
- **200 units** targeted for next three years (01.04.2017 to 31.03.2020)
- **Rs.10 cr** has been earmarked for the said component for next three years (01.04.2017 to 31.03.2020).



# Solar Energy Scheme for Powerlooms



- **Objective**
- To provide financial assistance/capital subsidy for installation of **Solar Photo Voltaic Plant** (Solar Plant) by small powerloom units to alleviate the problem of power cut / shortage.
- Powerloom units having upto 8 looms are eligible.
- On Grid Solar Power Plant (without Battery back up) and Off Grid Solar Power Plant (with Battery back-up).
- Financial Assistance:

No. of Looms (Solar capacity)	General (50%)	SC (75%)	ST (90%)
<b>i) On Grid Solar Power Plant</b>			
4 Looms (4 KW)	Rs1,40,000	Rs.2,10,000	Rs.2,52,000
6 Looms (6 KW)	Rs.2,10,000	Rs.3,15,000	Rs.3,78,000
8 Looms (8 KW)	Rs.2,80,000	Rs4,20,000	Rs.5,04,000
<b>i) Off Grid Solar Power Plant</b>			
4 Looms (4 KW)	Rs1,80,000	Rs2,70,000	Rs.3,24,000
6 Looms (6 KW)	Rs.2,70,000	Rs.4,05,500	Rs.4,86,000
8 Looms (8 KW)	Rs3,60,000	Rs.5,40,000	Rs6,48,000

- **480 powerloom units** targeted to install solar plant for next three years (01.04.2017 to 31.03.2020).
- **Rs.19.848 cr** has been earmarked for the component of CFC for next three years (01.04.2017 to 31.03.2020).

# Facilitation, IT, Awareness, Market Development and Publicity for Powerloom Service Centres (PSCs)



- **Objective**

- To give wide publicity, including event based publicity etc. through electronic, print, film media, multimedia, to the Powerloom schemes, programmes being run by the Office of Textile Commissioner, Mumbai (O/o the TxC).
- To create an enabling environment for publicity.
- To disseminate information about the modalities and benefits of schemes, programmes being run by O/o the TxC, Mumbai.
- To promote awareness and to trigger the developmental mode of decentralised powerloom sector.
- To encourage volunteer action for ensuring effective implementation of schemes, programmes being run by the O/o the TxC, Mumbai.
- To extend financial support for National & International events organized by O/o the TxC, Mumbai
- GOI Financial Assistance of **Rs.10.50 cr** has been earmarked for next three years (01.04.2017 to 31.03.2020) to develop/ organise the followings
  - **Facilitation Services:** Helpline, Registration Facility for Powerloom weavers and units with the PSCs, SMS alerts, Bank Assistance, Entrepreneur Cell, Design and Technical Advancement.
  - **IT- Development of online-portal / mobile application in respect of schemes implemented by GOI.**
  - **Awareness and Market Development Programmes:** Seminars/Workshops, Buyers Seller Meets, International events like Reverse Buyers Seller Meets, E-platform of marketing of Powerloom products, Exposure Visit of Weavers and Conducting studies, surveys and evaluation programmes/ Schemes on the special needs.
  - **Publicity in Electronic and Print Media.**

# Tex-Venture Capital Fund



- SIDBI Venture Capital Fund Ltd (SVCL) invests on behalf of MOT in form of equity in MSMEs to kick start an enterprise/ expansion.
- Investments will typically be in innovative private powerloom MSME companies.
- Max. 50% of the project cost with a ceiling of Rs.3.00 cr is invested by SVCL.
- **Rs.13.00 cr** has been earmarked for the component of Tex-Venture Capital Fund for next three years (01.04.2017 to 31.03.2020).



# Group Insurance Scheme (GIS)



- Provides insurance cover to the powerloom workers aged between 18 to 59.
- Benefits:
  - Natural death :Rs.2,00,000
  - Accidental Death :Rs.4,00,000
  - Permanent Disability :Rs.2,00,000
  - Partial Disability :Rs.1,00,000

Premium Detail		
Contribution	Age 18-50	Age 50-59
Beneficiary	Rs 80	Rs 80
LIC	Rs 100	Rs 100
Ministry of Textiles	Rs 582	Rs 150

# Schemes other than Power Tex

- INTEGRATED SKILL DEVELOPMENT SCHEME (ISDS)
- SCHEME FOR INTEGRATED TEXTILE PARKS (SITP)



# Contact for further information

## Headquarter, Mumbai

- Office Of The Textile Commissioner, Govt. of India, Ministry of Textiles 48, Vithaldas Thackersey Marg, Nishtha Bhavan, Mumbai - 400020 Tel : 022 - 22001050 | Fax : 022 - 22004693 Website:- [www.txcindia.gov.in](http://www.txcindia.gov.in)

## Regional Office, Indore

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**Thank You**