**Fiscal assistance for textile industry**

**Investment subsidy-**

MSME textile units would be given an investment subsidy of 10% of eligible investment made in TUFS (Technology Upgradation Fund Scheme) approved plant & machinery amounting to a maximum of INR 1 cr.

**Interest subsidy-**

|  |  |
| --- | --- |
| **Unit type** | **Interest subsidy** |
| For New Units with an investment of up to Rs. 25 cr. in Fixed Assets | 2% for 5 years from the date of commercial production on term loan taken for TUFS approved plant & machinery (max. of Rs. 5 crore) |
| New standalone units with an investment of more than Rs. 25 crores in fixed Assets  Or  Expansion/Diversification of Existing unit with fresh investment in TUFS approved plant & machinery of at least 30% of existing investment in fixed Capital Assets (Not less than Rs. 25 crores) or Rs. 50 crores, whichever is less | 5% for 5 years from the date of commercial production on term loan taken for TUFS approved plant & machinery |
| New composite unit with an investment of more than Rs. 25 crores in fixed Assets  or  Diversification of Existing Standalone unit into a composite unit | 7% for 5 years from the date of commercial production on term loan taken for TUFS approved plant & machinery |

**Entry tax exemption:**

|  |  |
| --- | --- |
| **Type of Units** | **Exemption** |
| For Units with an investment of up to Rs. 100 crores in plant & machinery | For 5 years |
| For Units with an investment of more than Rs. 100 crores in plant & machinery | For 7 years |

**VAT/CST assistance:**

* Industrial investment promotion assistance would be given to Units with investment of Rs. 1 Crore or more in fixed capitalfor a period of 8 years (from the date of commercial production, within an overall ceiling of investment in TUFS approved plant & machinery).
* 25% subsidy amounting to a maximum limit of INR 25 lakh would be given to establish Apparel Training Institute.