

6. Technical Upgradation Scheme (TUS): Helping MSMEs Modernize, Compete, and Grow



Technical Upgradation Scheme (TUS):

Helping MSMEs **Modernize, Compete, and Grow**

-  **UPGRADE TECHNOLOGY**
-  **IMPROVE PRODUCTIVITY**
-  **ENHANCE QUALITY**
-  **BOOST COMPETITIVENESS**

 Empowering MSMEs for a **Stronger Tomorrow**

In today's competitive business environment, technology is no longer a luxury—it is a necessity. For Micro, Small, and Medium Enterprises (MSMEs), adopting modern machinery, digital tools, and quality improvement systems can significantly improve productivity, reduce costs, and enhance competitiveness.

However, many MSMEs struggle to modernise due to financial constraints, outdated equipment, and limited access to advanced technologies. To address these challenges, the **Technical Upgradation Scheme (TUS)** is helping MSMEs in Uttar Pradesh invest in modern technology and strengthen their business capabilities.

Implemented under the broader MSME support ecosystem and further strengthened through the RAMP Programme, the scheme provides financial assistance for technology adoption, machinery upgrades, digital transformation, quality improvement, and business modernisation.

Why Technical Upgradation Matters for MSMEs

Technology plays a critical role in determining the efficiency and competitiveness of a business.

Enterprises using outdated machinery often face challenges such as:

- Lower productivity
- Higher production costs
- Increased wastage
- Quality inconsistencies
- Limited market competitiveness

As customer expectations continue to rise and industries move toward automation and digitalization, MSMEs must continuously upgrade their operations to remain competitive.

The Technical Upgradation Scheme aims to bridge this gap by helping enterprises adopt modern technologies and improve operational efficiency.

What is the Technical Upgradation Scheme (TUS)?

The Technical Upgradation Scheme (TUS) is designed to provide financial assistance to eligible MSMEs for purchasing advanced machinery, implementing digital systems, improving quality standards, and adopting modern business practices.

The scheme focuses on helping enterprises improve product quality, enhance productivity, reduce operational inefficiencies, and strengthen long-term sustainability.

Key Benefits of the Technical Upgradation Scheme

Financial Support for Advanced Machinery

One of the major components of the scheme is support for the installation of advanced plant and machinery.

Eligible MSMEs can receive:

- 50% capital subsidy on eligible expenditure
- Maximum assistance of up to ₹5 lakh

This support helps businesses modernize production facilities while reducing the financial burden of technology investments.

Interest Subsidy on Technology Loans

To encourage investment in new machinery and equipment, the scheme also provides interest support on loans taken for technology upgrades.

Eligible enterprises can receive:

- 50% interest subsidy on machinery loans
- Maximum benefit of ₹1 lakh per year

- Available for up to 5 years

This enables MSMEs to invest in modernisation while managing financing costs effectively.

Support for Digital Transformation

Digital adoption is becoming increasingly important for business growth.

The scheme supports the implementation of Enterprise Resource Planning (ERP) systems, enabling MSMEs to improve inventory management, accounting, production planning, and business decision-making.

Eligible enterprises can receive financial assistance of up to 50% of ERP implementation costs, subject to prescribed limits.

Consultancy and Branding Assistance

Beyond machinery and technology, business growth also requires strategic planning and market visibility.

The scheme offers support for:

- Market surveys
- Project reports
- Consultancy services
- Branding and marketing activities

These interventions help MSMEs identify growth opportunities and strengthen their market presence.

Quality Certification and Intellectual Property Support

Quality standards and intellectual property protection are increasingly important in domestic and international markets.

The scheme provides support for:

- Quality certifications
- Process certifications
- Trademark assistance
- Copyright-related support
- Intellectual property protection initiatives

These measures help MSMEs build credibility and improve competitiveness.

Additional Support Under the RAMP Programme

Under the RAMP (Raising and Accelerating MSME Performance) Programme, eligible MSMEs can receive an additional 15% subsidy for technical upgradation over and above the existing state support.

Special preference is given to:

- MSMEs adopting green technologies
- Enterprises investing in renewable energy solutions
- Units implementing environmentally responsible practices
- Women-owned MSMEs

This additional support encourages businesses to embrace sustainable and future-ready technologies.

Who Can Apply?

The scheme is available to eligible Micro and Small Enterprises operating in Uttar Pradesh.

Key eligibility conditions include:

- The enterprise should be operational for the prescribed period.
- The unit must be registered under Udyam Registration.
- The enterprise should comply with applicable statutory requirements.
- Applicants must submit a project proposal detailing the technology upgradation plan and expected outcomes.

Building Future-Ready MSMEs

The future of manufacturing and business growth will increasingly depend on technology, efficiency, quality, and sustainability.

The Technical Upgradation Scheme provides MSMEs with the financial support needed to modernize operations, improve productivity, strengthen competitiveness, and embrace digital transformation.

By enabling enterprises to invest in advanced technologies today, the scheme is helping build a stronger and more resilient MSME ecosystem for tomorrow.

For MSMEs looking to improve efficiency, enhance product quality, and unlock new growth opportunities, the Technical Upgradation Scheme offers a valuable pathway toward sustainable business development.