

Technology Upgradation Fund Scheme (TUFS)

ϕ Ministry of Textiles has launched a Technology Upgradation Fund Scheme (TUFS) for Textile and Jute Industries, w.e.f. 1.4.1999 for a period of 5 years, i.e., up to 31st March 2004 which was subsequently extended upto 31.3.2007, i.e., till the end of tenth five year plan.

ϕ **Benefits under the scheme:**

- *5% interest reimbursement of the normal interest charged by the lending agency on RTL.*

or

- *5% exchange fluctuation (interest & repayment) from the base rate on FCL.*

or

- *15% credit linked capital subsidy for SSI sector.*

or

- *20% credit linked capital subsidy for powerloom sector (An option for 'front ended' subsidy provided w.e.f. 1st October, 2005).*

or

- *5% interest reimbursement plus 10% capital subsidy for specified processing machinery.*

ϕ Technology levels are benchmarked in terms of specified machinery. There is no cap on funding under the scheme.

ϕ The identified sectors in the textile industry, including spinning, cotton ginning & pressing, silk reeling & twisting wool scouring & combing, synthetic filament yarn texturising, crimping and twisting, manufacturing of viscose filament yarn (VFY) / viscose staple fibre (VSF), weaving/knitting including non-wovens and technical textiles, garments, made-up manufacturing, processing of fibres, yarns, fabrics, garments and made-ups and the jute sector are eligible to avail of these concessional loans for their technology upgradation requirements. Investments in

common infrastructure or facilities by an industry association, trust or co-operative society and other investments specified are also eligible for funding under the scheme. Improved metal frame hand looms used by the handloom weavers have also been covered under the scheme.

ϕ IDBI, SIDBI and IFCI were the nodal agencies for Non-SSI textile sector, SSI textile sector and Jute sector respectively. However, w.e.f. 1st October, 2005, 13 additional nodal banks have been appointed under TUFS for determining eligibility & releasing the subsidy for the cases financed by them.

ϕ **Monitoring and Review of the scheme :**

For monitoring and review, an Inter-Ministerial Steering Committee (IMSC) under the chairmanship of the Secretary (Textiles) has been constituted. This committee normally meets on a quarterly basis. A Technical Advisory cum Monitoring Committee (TAMC) under the Chairmanship of the Textile Commissioner has also been constituted to interpret, or clarify and technical issues raised by any of the nodal agencies regarding the eligibility of any unit or machinery under the scheme. TAMC also provides technical advise to the IMSC and also monitors the progress on a regular basis.