

TUFS (Technology Upgradation Funds Scheme)

TUFS (Technology Upgradation Funds Scheme) was introduced in 1999 in order to boost investments in all the sub-sectors of textiles and jute industry through 5% interest reimbursement. The scheme was initially planned from April 1999 to March 31st, 2004.

This topic is relevant for all IAS exam aspirants.

Background of Technology Upgradation Funds Scheme

The Technology Upgradation Funds Scheme was brought about by the Government of India in 1999 with the aim of facilitating technology that would give a new lease of life for the textile industry in India, making it competitive on a global scale. Reducing the operational cost of the aforementioned industry was also an additional objective.

The scheme was earlier amended for continuation during the 12th Plan. A sum of Rs.11,952 crore was provided for attracting investment of Rs. 1,51,000 crore during the period 2012-2017. Out of this, Rs. 9,290 crore was meant for committed liabilities and Rs. 2,662 crore for new investment. The amount provided for new investment has been exhausted and therefore the Ministry of Finance was approached for enhancing the allocation. The amendments in the scheme are expected to plug the loopholes in the earlier scheme and improve Ease of Doing Business.

What is the aim of the TUFS?

The major aim of the newly upgraded Amended Technology Upgradation Funds scheme are as follows:

1. Generation of employment opportunities and enhancing the export facilities in the textile industry.
2. Promotion of technical textiles industry
3. Upgrading the different sectors of textiles in terms of productivity and quality.

What are the major categories of the scheme?

The newly upgraded scheme has 2 broad categories:

1. Apparel, Garment, and Technical Textile.
2. Other sub-categories.

What is ATUFS?

The Ministry of Textiles has introduced the Amended Technology Upgradation Fund Scheme (ATUFS) starting from Jan 2016, for a period of seven years. Under ATUFS, there is a provision of a one-time capital subsidy for eligible benchmarked machinery at the rate of 15% for garments.

The new scheme specifically targets:

1. Employment generation and export by encouraging apparel and garment industry, which will provide employment to women in particular and increase India's share in global exports.
2. Promotion of Technical Textiles, a sunrise sector, for export and employment
3. Promoting conversion of existing looms to better technology looms for improvement in quality and productivity
4. Encouraging better quality in the processing industry and checking the need for import of fabrics by the garment sector.

Questions related to TUFs

What is technological upgradation?

Amended Technology Upgradation Scheme (ATUFS) provides a much needed support to an apparel manufacturer and exporter in upgrading the technology to a globally accepted benchmark that will ensure the export of quality goods to international markets.

What is the TUFs scheme?

The Government of India (GoI), Ministry of Textiles (MoT), introduced Technology Upgradation Fund Scheme (TUFs) for Textile and Jute Industries on April 1, 1999, for a period of 5 years, subsequently extended by 3 years to cover the losses as a result of international economic sanctions imposed on India following the success of the Pokhran II nuclear tests. The final date of extension was up to March 31, 2007.

What is Atufs scheme?

The Ministry of Textiles is implementing 'Amended Technology Upgradation Fund Scheme (ATUFS)'. Under ATUFS, there is a provision of one-time capital subsidy for eligible benchmarked machinery at the rate of 15% for garmenting and technical textiles segments