

Textile ministry introduces amended TUFs

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The Union Ministry of Textiles has introduced the Amended Technology Upgradation Funds Scheme (ATUFS) in a calculated step aimed at providing a significant boost to the dwindling textiles sector. This will ensure wider financial and operational benefits to all players involved in the value chain.

Introduced in 1999 to replace age-old technology with brand new ones with an assurance to step up operational efficiency of textile units, the Technology Upgradation Funds Scheme (TUFS) has been revised and upgraded time and again to weed out operational glitches and incorporate new players, bringing in investments in the textiles sector. Industry experts have observed that the introduction of TUFS would trigger fresh investments worth billions of rupees.

A notification was issued on Thursday and the amended scheme would allow co-operative banks to lend to textile units for technology upgrade. The ATUFS benefits will now be made available for liability partnership (LLP) textile firms. Synthetic textile sector is expected to benefit immensely.

"The ATUFS is set to help boost textile exports from India. It is a good initiative taken by the government, with expansion in new class of financial and operational parameters. The scheme will also benefit domestic textile units," said Ujwal Lahoti, Chairman, The Cotton Textile Export Promotion Council (Texprocil). The textiles ministry had launched ATUFS in place of the erstwhile TUFS in 2016 for six years, ended March 2022. The financial and operational parameters and implementation mechanism for ATUFS were notified in February 2016. Credit-linked subsidy will also be provided.