

Amended Technology Upgradation Fund Scheme (ATUFS)

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In News

- **Ministry of Textiles**, Amended Technology Upgradation Fund Scheme (ATUFS) is a credit linked subsidy scheme for capital investment in the textiles and manufacturing sectors.

About ATUFS

- Old TUFs started in 1999
- ATUFS in 2015
- The amended scheme would give a boost to “Make in India” in the textiles sector; it is expected to attract investment to the tune of one lakh crore rupees, and create over 30 lakh jobs.
- TUFs is an initiative by the Government of India with aim of the ‘Make in India’ and ‘Zero Defect and Zero Effect’ campaigns.
- This scheme aims to promote investment in textile machinery manufacturing. ATUFS shall facilitate enhancement of employment, productivity, investment, exports and import substitution in the textile industry.

Two broad categories of ATUFS:

- Apparel, Garment and Technical Textiles sectors would be provided on capital investment with fifteen per cent subsidy. However, it will be subject to a ceiling of Rs. 30 crore for entrepreneurs over a period of five years

- Remaining sub-sectors of textile sectors would be provided subsidy at a rate of 10 percent. However, it would be subject to a ceiling of Rs.20 crore

Objectives

- 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.
- Promotion of Technical Textiles, a sunrise sector, for export and employment
- Promoting conversion of existing looms to better technology looms for improvement in quality and productivity
- Encouraging better quality in the processing industry and checking the need for import of fabrics by the garment sector.

Eligibility Criteria

Entities that come under the following sectors are eligible to avail ATUFS:

- Garment/Made-up Manufacturing
- Handloom
- Jute
- Knitting
- Processing of fibres, yarns, fabrics, garments and Made-up
- Silk
- Technical Textiles
- Weaving, Weaving Preparatory

Advantages

- 12,671 crore is for committed liabilities under the ongoing RR-TUFS scheme and Rs. 5,151 crore is for new cases under ATUFS

- The amended scheme would give a boost to 'Make in India' in the textiles sector
- It is expected to attract investment to the tune of one lakh crore rupees, and create over 30 lakh jobs
- All cases pending with the Office of Textile Commissioner which are complete in all respects, shall be provided assistance under the ongoing scheme and the new scheme will be given prospective effect
- Office of Textile Commissioner (TxC) is being reorganised & its offices shall be set up in each state
- Officers of the TxC shall be closely associated with entrepreneurs for setting up the industry, including processing proposals under the new scheme, verifying assets created jointly with the bankers and maintaining close liaison with the State Government agencies