

TECHNOLOGY UPGRADATION FUND SCHEME (TUFFS) FOR TEXTILE & JUTE INDUSTRIES

A scheme is implemented by Ministry of Textiles, Govt. of India to provide support for modernization/upgradation of Textile/Jute industries by offering incentives and to create more employment generation. The scheme is implemented during XI plan period and is valid up to 31.03.2012

Purpose

- To facilitate setting up of New units/Expansion/Technology Upgradation in textile industry, Cotton ginning and pressing and Jute industry

Eligible borrowers

- Sole proprietorships, partnerships, co-operative societies, private and public limited companies in SSI sector units with minimum economic size
- Existing units proposing to modernize and/or expansion with appropriate eligible technology
- New units which are being set up with appropriate technology
- Units with good track record, viable and positive net worth even if they had incurred losses in one or more of the previous 3 years, provided the project is viable

Segments Covered

- Cotton ginning and pressing
- Textile industry covering – Silk reeling/twisting; Wool scouring, combing and carpet industry; Synthetic filament yarn texturising, crimping and twisting; Spinning; Viscose staple fiber (VSF) and Viscose filament yarn (VFY); Weaving, knitting and fabric embroidery; Technical textiles including non-wovens; Garments/design studio/made-up manufacturing; Processing of fibers, yarns, fabrics, garments and made-ups
- Jute industry

Loan Amount and subsidy

- Assistance shall be need based and No ceiling on project cost/amount of loan. Assistance shall be by way of Term Loan. Loan in foreign currency is permissible.
- The scheme provides 10% / 15% Credit Linked Capital Subsidy (CLCS) and 5% interest reimbursement (IR) on investment in TUF computable machinery as per the terms of scheme for different sectors.

Other Terms

- Promoter's contribution, security, debt-equity ratio, up front fee, etc. will be determined by the bank as per its existing norms
- Capital Subsidy is available only for such units where term loan is sanctioned by the bank
- The eligible units will be of minimum economic size and confirm to the lending norms of the bank