

Govt. mulling expansion of TUFs, seeks more funds

by [Arun Goswami](#) on July 12th 2010 and filled under [Other](#)

The ministry of textile is looking for expansion of the Technology Up-gradation Fund Scheme (TUFs) for handicrafts sector too and the ministry will soon approach the Cabinet Committee on Economic Affairs (CCEA) seeking additional resources for it. This was informed by the Secretary, textile, Rita Menon on the sidelines of the Indian Fashion Jewellery & Accessories show (IFJAS) organised by Export Promotion Council for Handicrafts (EPCH), at Greater Noida recently. While speaking to the media, she said, "We want TUFs to be expanded. We will be going to the Cabinet (CCEA) within three weeks." Recently the government has announced to stop taking new applications under TUFs till new fund allocation is approved by the CCEA. The scheme has been kept under suspension as Rs 8,000 crore subsidy earmarked under the 11th Plan has already been disbursed. While banks and financial institutions have disbursed loans worth Rs 73,168 crore since TUFs began in 1999, the government subsidised 5 percent of interest reimbursements. However the associations of the USD 63 billion textiles industry have urged the finance ministry to make new sanctions under TUF scheme and not to freeze the projects in pipeline for the benefit of the entire textile industry. It may be recalled that the TUF scheme was one of the most successful schemes ever launched by the government for the benefit of the textile industry. This scheme had helped the sector to modernize their machinery and has helped them become competitive in domestic and global markets.