

Preface

This report of the Comptroller and Auditor General of India has been prepared for submission to the President of India under article 151 of the Constitution. It contains the results of Performance Audit on Technology Upgradation Fund Scheme (TUFS) of Ministry of Textiles.

The Government of India (GoI) introduced 'TUFS' in 1999-2000 to provide a focal point for modernization efforts through technology upgradation in the Indian Textile Industry, which occupied a unique position in the Indian economy in terms of its contribution to industrial production, employment and exports. The scheme was subsequently modified in 2007 (Modified TUFS), 2011 (Restructured TUFS) and 2013 (Revised Restructured TUFS).

The scheme was implemented by Financial Institutions identified by the GoI and was a reimbursement scheme providing benefits to Textiles units in the form of Interest Reimbursement, Capital Subsidy and Margin Money Subsidy. Ministry of Textiles released ₹ 18,580.45 crore as subsidy for the TUFS during 1 April 1999 to 31 March 2014.

The nature of the scheme, substantial financial outlay and large number of beneficiaries made this an ambitious scheme. Audit was undertaken to get an assurance that the objectives of the scheme were achieved.