

**GOVERNMENT OF INDIA
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No. 50(3)/2011-MS/

Date : 25.11.2011

**Restructured Technology Upgradation Fund Scheme (TUFS)
(28-04-2011 to 31-03-2012)**

**Circular No. 3
(2011-2012 Series)**

Sub: Restructured Technology Upgradation Fund Scheme (TUFS)

1. Decisions taken by Inter-Ministerial Steering Committee (IMSC) on Restructured TUFS in its 3rd meeting held at New Delhi on 14th November, 2011.

(i) In the first meeting of the Inter-Ministerial Steering Committee on TUFS held on 19.1.2009, the issue of cut off dates for the cases sanctioned during 1.4.2007 to 31.3.2008 and after 1.4.2008 were discussed. At the meeting, IMSC prescribed the cut off dates for lending agencies for submission of data for claim of subsidy. However, IMSC suggested that an appropriate system of appeal for the TUFS beneficiaries which are not getting adequate response from the banks may be evolved and implemented by the Office of the Textile Commissioner.

As per Para 4. of the GR on Restructured TUFS (28.4.2011 to 31.3.2012), for loans sanctioned during 01.04.1999 to 28.06.2010, the then existing parameters and guidelines will continue to apply and Textiles Commissioner would ringfence the committed government liabilities for this period

IMSC noted that the appellate system was introduced in a regime when there was no ceiling on the quantum of subsidy and the industry had an apprehension that their units may not get adequate response from lending agencies. The clause introduced in 2009 has run for a sufficiently long time and its continuation would mean that the TUFS scheme would continue to be operated in an open ended manner. The purpose for which appeal system was introduced was fully met and it would no longer be necessary in a ring fenced restructured TUFS implementation and hence appeal system and powers for condonation of delay by the Textile Commissioner has been revoked.

Regarding pipeline cases pending with the Office of the Textile Commissioner IMSC decided that an internal committee would examine and send its recommendations to the Government for consideration.

(ii) **In the 1st meeting of IMSC on Restructured TUFS held on 19.8.2011, it was decided that the Government Resolution No. 6/5/2011-TUFS dt. 28.4.2011 may be modified to stipulate that TUFS subsidies will not be made available to textile industry / units which have been blacklisted for contract defaults by Public Sector Undertakings; provided that the 1st level arbitration / legal remedy has been explored, prior to such blacklisting. IMSC had advised that before carrying out this amendment, legal opinion on the exact text of the amendment would be obtained.**

After obtaining the legal opinion the IMSC directed to notify the amendment of GR of 2011 not to provide TUFS subsidy to companies blacklisted by PSUs.

Accordingly, following para has been added in GR on Restructured TUFS.

Para 3.1 (6) : “ TUFS subsidies will not be made available to textile industry / units which have been blacklisted for contract defaults by Public Sector Undertakings. However, an aggrieved unit can appeal to IMSC ”

2. Co-option of banks by IDBI

IDBI has co-opted following additional banks, for Non- SSI sector under TUFS.

(i) Gopinath Patil Parsik Janata Sahakari Bank Ltd., Thane.

The above modification/ clarification/ procedure in the TUF Scheme may be brought to the notice of all concerned.

(Iqbal Ahmad)
Deputy Director

To: -

1. All Nodal Agencies / Nodal Banks / Co-opted PLIs.
2. Secretaries (Textiles) of all states
3. To all Major Textile Industry Associations/ Trade Associations/All India Industry Associations/Chambers of Commerce & Industry.
4. Development Commissioner (Handlooms)
5. Development Commissioner (Handicrafts)
6. Jute Commissioner

7. Member-Secretary, Central Silk Board
8. Director General, NIFT
9. The Directors of all TRAs
10. Executive Directors of all EPCs
11. Prominent News Agencies.
12. Officer In-charge of all Regional office of the Textile Commissioner,
13. Secretary, Textiles Committee, Mumbai
14. Officer In-charge of all Powerloom Service Centers,

With a request to bring the above message to the notice of all concerned, by publishing/covering the above amendments/modifications in the TUFS, in the news papers/periodicals/magazines etc.

(Iqbal Ahmad)
Deputy Director

Copy for information to:

1. All members of IMSC & TAMC.
2. Shri V Srinivas, Joint Secretary, Ministry of Textiles, New Delhi - 110011
3. Shri Prerna Sood, Director, Ministry of Textiles, New Delhi – 110 011

(Iqbal Ahmad)
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