

**GOVERNMENT OF INDIA
MINISTRY OF TEXTILES
OFFICE OF THE TEXTILE COMMISSIONER
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No. 28(19)/2005-MS/

Date : 7th April, 2006

**Circular No. 10
(2005-2006 Series)**

Sub : Technology Upgradation Fund Scheme (TUFS).

1. Clarification regarding eligibility of SSI units graduating out of SSI limit under CLCS – 15% - TUFS

The point (2) (a) of Circular No.8 (2005-2006 series) dated 20th January, 2006 regarding the eligibility of SSI units under CLCS@15%-TUFS, which would graduate out of SSI limit after availing of assistance under CLCS@15%-TUFS may be read as under:

“A query has been raised with regard to eligibility of SSI units, which would graduate out of SSI limit after availing of assistance under 15% CLCS-TUFS. In this regard it is clarified that such units would be eligible for assistance under CLCS-TUFS to the extent of Rs. One Crore (inclusive of earlier investment in TUFS, if any) **or till the unit reaches SSI limit whichever is higher. Subsidy amount under the scheme may be worked out accordingly**”. However subsequent to availing of assistance and graduating to Medium Scale Industry (MSI), such units will not be eligible again for 15% CLCS-TUFS, but can avail of 5% interest reimbursement for their subsequent expansion proposals.

2. Clarification regarding processing machinery eligible for 10% capital subsidy under TUFS

A query has been raised as to whether processing machinery eligible for 10% capital subsidy can be installed by a readymade garment unit. In this connection it is clarified that processing machinery eligible for 10% capital subsidy can be installed by any textile or jute unit eligible under TUFS to avail of the benefit of the 10% capital subsidy.

PTO

The above clarifications in the TUF scheme may please be brought to the notice of all concerned.

(Smt Shashi Singh)
Joint Textile Commissioner

To: -

1. Secretaries (Textiles) of all states
2. All PLIs of IDBI and SIDBI
3. To all Major Textile Industry Associations/ Trade Associations/All India Industry Associations/Chambers of Commerce & Industry.
4. Officer In-charge of all Regional office of the Textile Commissioner,
5. Secretary, Textiles Committee, Mumbai
6. Officer Incharge of all Powerloom Service Centers,
7. The Directors of all TRAs
8. Executive Directors of all EPCs
9. Development Commissioner (Handlooms)
10. Development Commissioner (Handicrafts)
11. Jute Commissioner
12. Member-Secretary, Central Silk Board
13. Director General , NIFT
14. Prominent News Agencies.

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

Copy for information to:

- 1. All members of IMSC & TAMC.**
- 2. Shri Sudripto Roy, Joint Secretary, Ministry of Textiles, New Delhi - 11**
- 3. Director, Ministry of Textiles, New Delhi – 110 011**

(Smt Shashi Singh)
Joint Textile Commissioner