

GOVERNMENT OF INDIA
MINISTRY OF TEXTILES
OFFICE OF THE TEXTILE COMMISSIONER
P.B. NO.11500 :: MUMBAI – 400 020

F.No.28(1)/2000/MS

Date : 6th Jan., 2000

CIRCULAR

Sub : **Technology Upgradation Fund Scheme for Textile & Jute Industries.**

The Ministry of Textiles, Govt. of India has launched a Technology Upgradation Fund Scheme for Textile & Jute Industries for 5 years with effect from 1st April, '99, vide resolution No.28/1/99-CTI, dated 24th March, '99. Under the scheme, interest reimbursement of 5% has been provided to the eligible textile mills for investment in the benchmarked technology.

2. In pursuance of the decisions taken in the meeting of the Inter-Ministerial Steering Committee, constituted under the TUFS, SIDBI & IDBI have relaxed certain financing norms and co-opted scheduled commercial banks/SFCs/IDCs/Twin function IDCs to widen the reach of TUFS. The details are given below :-

2.1 **SIDBI**

- (i) For TUFS, SIDBI has stipulated lower minimum promoters' contribution at 20% as against 33.1/3% in other cases.
- (ii) SIDBI has removed the cap of Rs.100 lakh on project outlay for availing of refinance by PLIs under TUFS. Accordingly, all eligible proposals within the overall prescribed ceilings for State Financial Corporations/State Industrial Development Corporations will be considered for assistance under the Refinance Scheme for Textile Industry under Technology Upgradation Fund.
- (iii) SIDBI has co-opted 130 Financial Institutions comprising of 81 Scheduled Commercial Banks, 2 Co-operative Banks, Exim Bank, 18 State Financial Corporations, 17 State Industrial Development Corporations and 11 Twin-Function Industrial Development Corporations. (Details are given in Annex-I).
- (iv) In respect of 130 banks/institutions as above, SIDBI has relaxed the condition for availing of refinance. Accordingly, these PLIs can finance TUFS proposals from their own resources and claim

the interest reimbursement / exchange rate fluctuation from SIDBI. Besides, in respect of these banks/institutions, SIDBI will not insist on adherence to refinance norms in respect of cases where refinance has not been availed.

2.2 **IDBI**

IDBI has co-opted 3 AIFIs, EXIM Bank, 15 Scheduled Commercial Banks and 46 SFCs/SIDCs/Twin-function IDCs. J & K Bank Ltd. has been co-opted for the state of Jammu & Kashmir only. (Details are given in Annex-I). The SFCs/SIDCs/Twin function IDCs are co-opted under direct finance and refinance scheme. For direct assistance by SFCs/SIDCs/Twin function IDCs, the present cap on project cost as applicable under refinance scheme will be maintained.

- (i) All the SFCs/SIDCs/Twin function IDCs are covered under refinance scheme irrespective of their category status. The refinance extended under this scheme would be on a back to back basis (and not under LoC) and over and above the annual limits sanctioned to the corporations.
- (ii) In respect of banks co-opted by IDBI. Only one office of the bank will be authorised for co-ordinating with IDBI, the Nodal Agency. In case of SBI and its associate banks, SBI will co-ordinate with IDBI.
- (iii) For Schemes costing Rs.30 crore & below, the banks can directly entertain the applications for direct finance.
- (iv) For assistance to projects costing above Rs.30 crore, IDBI and other FIs will process the applications and share with the co-opted banks, if found necessary.

3. The above measure taken by the SIDBI & IDBI would facilitate better access to the scheme for all segments of the textile and jute industries including the decentralised sector.

(Smt. SHASHI SINGH)
DIRECTOR