

**No.28(19)/2000/MS/
Office of the Textile Commissioner
Mumbai**

Date :17th April, 2000

**CIRCULAR NO. 1
(2000-2001 series)**

Subject : Technology Upgradation fund Scheme (TUFS)

The decision taken by the Inter Ministerial Steering Committee (IMSC) in its 5th meeting with regard to norms relating to TUFS are as follows:

1. The following second hand machinery for jute & textile sector would be eligible under TUFS:
 - i) Machinery (jute industry) with a minimum residual life of 10 years subject to a maximum expired life (vintage) of 10 years.
 - ii) Air Jet looms as well as Water Jet looms with 5 years' vintage and with a residual life of minimum 10 years.
 - iii) Projectile and Rapier looms with 10 years' vintage and with a residual life of minimum 10 years.
 - iv) Second hand worsted sector machinery with 10 years' vintage and with a residual life of minimum 10 years,(as per list under para 3.2 (2) (v to x) of the Government Resolution dated 31.3.99) on TUFS.
2. High Speed Multi-cylinder Vertical Exit Warping Machine is added as a. 19 at 'Annexure-D-1' of the Government Resolution dated 31.3.1999 on TUFS.
3. Hank to cone winding Machines (High Speed Machine having minimum 350 meters/minute with clutch and brake system) are added at 'Annexure-F-4' of the Government Resolution dated 31.3.1999 on TUFS.
4. Sl. No. h.1 High volume instrument for checking micronnaire, length and elongation of cotton fibre at 'Annexure-B' is modified to read as- S.No. h 1 Modern fibre instruments for checking length, strength, micronnaire, maturity, trash, color, etc.

5. Air jet looms of 165 cms. Width (capable of manufacturing 60 inch width grey fabrics) and similar width in case of Water Jet looms and also Automatic shuttle looms are eligible under TUFS.
6. The ancillary machinery, viz., Ball Warper, Long Chain Bearners, Rope Dyeing range, Integrated Finishing range, Automatic Inspection & Packing Equipment are covered under TUFS and it is not possible to enumerate each of them in the approved list. The FIs/banks may consider the ancillary equipments as per the appraisal of the project.
7. For the spinning segment minimum economic size (MES)was decided and circulated vide circular No.28(19)/2000/MS dt.27.3.2000. In respect of other textile segments, the MES should be any unit which is financially viable as per viability analysis of the financial institutions or banks.
8. The contingency provision (non-firm cost) to the extent of 5% may be covered under TUFS in respect of plant and machinery and other investments eligible under TUFS.
9. Based on the TAC recommendations, the Committee approved the following in respect of the decentralised power loom (SSI) sector :
 - i) The replacement of an ordinary loom by a new semi automatic loom of minimum width of 165 cm.
 - ii) To permit the expansion of weaving capacity by adding new semi automatic looms so as to reach a minimum economic size (MES) of 12 looms.
 - iii) Expansion beyond 12 looms by semi automatic looms while retaining existing ordinary looms should not be permitted.
 - iv) A combination of in situ upgradation and expansion with semi-automatic looms upto a total of 12 looms may be permitted.

The benchmark quality standards of semi-automatic looms for eligibility under TUFS will be issued shortly.

The above modifications in the scheme would facilitate better access to the scheme for all segments of the textile and jute industries, more particularly the decentralised powerloom segment.

(Smt.Shashi Singh)
Director.

To:-

1. Secretaries (Textiles) of all states.
2. All PLI's of IDBI and SIDBI

3. **To all Major Textile Industry Associations/ Trade Associations/All India Industry Associations/Chambers of Commerce & Industry.**
4. **Officer Incharge 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. **Member-Secretary, Central Silk Board**
12. **Director General , NIFT**
13. **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. to enable the textile units to take the benefit of such relaxation in norms.

II. Copy for information to:

1. **Shri N.Ramakrishnan, Jt. Secretary, MOT, New Delhi.**
2. **All members of IMSC & TAC.**
3. **Shri Y.P.Singh, Director, Ministry of Textiles, New Delhi.**

(Smt. Shashi Singh)
Director.