

**GOVERNMENT OF INDIA  
MINISTRY OF TEXTILES  
OFFICE OF THE TEXTILE COMMISSIONER  
POST BAG NO. 11500,MUMBAI - 400 020.**

No. 28(19)/2000-MS/

Date: - 4<sup>th</sup> July, 2001

**Circular No. 1**

(2001-2002 Series)

**Sub: Technology Upgradation Fund Scheme (TUFS).**

**1. Co-option of additional banks / financial institutions by nodal agencies**

Industrial Finance Corporation of India (IFCI), the Nodal agency (NA) for jute industry under Technology Upgradation Fund Scheme, vide letter no. Credit Coord./TUFS/2001 dated 16<sup>th</sup> Apr., 2001, has co-opted Andhra Pradesh State Financial Corporation (APSFC) as a primary lending institution (PLIs) for jute industry under the TUF Scheme.

**2. Clarification issued by Technical Advisory–cum-Monitoring Committee (TAMC) of TUFS held at Mumbai on 4<sup>th</sup> June 2001.**

**(i) Quantum Clearers and Auto Coners.**

Since ‘Quantum Clearers’ and ‘Auto Coners’ are registered trademarks of particular manufacturers, it was decided by the committee to amend the clarification issued vide TxC circular No.11 (2000-01 series) dated 23.03.2001, by substituting para 2 (i) (a) of the said circular with the following:

“Electronic yarn clearers for upgradation of existing automatic winding machines”.

**(ii) Eligibility of interest reimbursement of TUFS.**

Consequent to the decision of the Government to extend the repayment period under TUFS to 10 years (2 years moratorium + 8 years repayment) from the previous repayment period of 8 years (2 years moratorium + 6 years repayment), it is clarified that textile units will continue to be eligible for interest reimbursement under TUFS even after reschedulement / extension of repayment period to 10 years, provided, the same is effected in normal course in accordance with the amendment in the financial norms of TUFS. The limitation clause of para III 1-(d) (iii) (a) of the GR on TUFS will only be applicable in the event of re-schedulement of loan on account of a default and or difficulty in repayment of loan.

**3. Decision taken by the Inter Ministerial Steering Committee ( IMSC) in its 9<sup>th</sup> meeting held on 13<sup>th</sup> June 2001.**

**(i) Flock Fabric Processing Machines**

IMSC has decided to include the following Flock Fabric Processing Machines in

Annexures-F-1 and F-2 as under :

**Annexure F-1.b.II**

7) Precision Flock Cutting Machine

8) Sieving Machine

**Annexure F-2.b.II**

5) Precision Flock Cutting Machine

6) Sieving Machine

**(ii) Husk Fired Boiler.**

**IMSC decided to include the Husk Fired Boiler in Annexure F-1, F-2, F-3 & F-4 (utilities and others), alongwith Oil / Gas Fired Boiler / Coal Fired Boiler, subject to the condition that it contains the additional features, namely, pneumatically Controlled Filter Mechanism, Electro-State Precipitator and Micro dust collectors so as to make the flue gases coming out of the Boiler safe for the environment and the party obtains necessary clearance from the Pollution Control Board concerned.**

**(iii) Inclusion of improved metal frame handloom under TUF S.**

The IMSC accepted the following benchmarked features for improved metal frame handlooms and decided for addition of a new sub category and entry under Annexure D-1 after “c for Knitting” as follows:

**“cc. HANDLOOM**

1. Semi-automatic /ordinary frame handloom with minimum width of 52, with or without dobby / jacquard and benchmarked technology features, viz., take-up motion, smoothsley movement, bigger shuttle and bobbin (minimum 4”), negative let-off motion. It may include attachments such as multiple weftbutta mechanism, pick & pick slidingshuttlebox, solid border weaving catchcord attachment. The frame loom should be made out of ½’ x 1 ½” x 3” steel U channel or steel pipe 2 ½’ diameter and 8 gauge or sturdy wood with minimum 4’ widthx4” thickx6’ height. The looms may have additional warp and cloth rollers made of wood or steel to ensure weaving of long length fabrič.

**iv) Eligibility of Imported Reconditioned Computerised flat bed knitting machine.**

IMSC decided to include imported reconditioned computerized flat bed knitting machine as an eligible machinery for the knitting industry and to include the machine as an additional entry under para 3.2(2) and also in Annexure D-1 of TUF S Resolution. Accordingly, the above para has been amended as under:-

**To add the following entry under para 3.2(2):**

“e) Computerized flat bed knitting machine with minimum speed of 10 revolutions per minute and upto 5 years’ vintage and with a residual life of minimum 10 years’

**The existing entry 3 under ‘Annexure D-1:c. For knitting’, has been amended as follows:**

“3. Computerised flat bed knitting machine with minimum speed of 11 revolutions per minute for new machines and 10 revolutions per minute for permissible second hand reconditioned machines.”

v) **Airjet looms upto 10 years vintage.**

IMSC decided to allow Airjet looms upto 10 years vintage (existing 5 years' vintage) and accordingly, the existing entries at para 3.2 (2) (a) and 3.2 (2) (b) have been amended as under:-

“3.2 (2) (a) Auto-coners and waterjet shuttleless looms of upto 5 years' vintage with a residual life of minimum 10 years.”

“3.2 (2) (b) Airjet, Projectile and Rapier Shuttle-less looms with or without high speed direct beam warper with creel and/or sectional warping machine with auto stop and tension control of upto 10 years' vintage and with a residual life of minimum 10 years.”

vi) **Relaxation in the norms with regard to matching in-house weaving preparatory for small scale weaving units graduating to medium scale for availing of TUFs assistance.**

The IMSC relaxed the condition of matching in house weaving preparatory in respect of SSI weaving units graduating to the medium scale subject to the maximum investment of Rs.3crore in plant & machinery as was the case when TUFs was introduced and accordingly, the existing entry at para 4.4 (a).I.(ii)' has been amended as under:

“ 4.4 (a).1. (ii) In-house weaving preparatory of eligible technology level at least matching with weaving capacity. However, this condition, although desirable, is not essential for units having investment upto Rs.3 crore in plant & machinery. In case of SSI units, in house weaving preparatory is not essential.”

vii) **Reduction in the minimum stipulated width of the powerlooms from 165 cms (65”) to 140 cms (55”) width for decentralised powerloom units which are exclusively engaged in the production of silk sarees, dhoties and lungies and are unlikely to change the product lines.**

Considering that for the production of silksarees, dhoties, lungies etc., 140 cms width semi automatic looms are more appropriate since wider width looms for such production are inefficient due to wastage of extra width of the loom, IMSC decided to relax the norms with regard to minimum width of semi automatic / automatic looms to 140cms for the existing small scale powerloom units which are exclusively engaged in the production of silksarees, dhoties and lungies and are unlikely to change the product lines. Accordingly, the existing entries 3 and 3B under Annexure D-1(b) have been amended by adding the following provision:

“Provided that the registered SSI weaving units which are exclusively engaged in the production of silk sarees, dhoties and lungies and do not propose to change their product line are allowed to acquire looms of the above technological parameters with a minimum width of 140ms.”

viii) **Inclusion of “Thin Hydro Carbon Vapour Recovery Plant for Textile Printing”.**

The IMSC decided to include “Thin Hydro Carbon Vapour Recovery Plant for Textile Printing” in Annexures F-1 & F-2 at b. IV. 12 & b. IV. 7 respectively.

ix) **Inclusion of Flax machinery .**

The IMSC decided to include the following machinery for Flax Spinning under Annexure ‘B’ after ‘b. wool scouring, combing and spinning machinery for worsted system of spinning:

**“bb. Machinery for Flax Spinning:**

1. Flax hackling machine
2. Drawing Machine for Flax

**3 Roving machine for Flax**

- 4 Wet ring frame for Flax
- 5 Auto Winding machine for Flax’

**x) Inclusion of Label Printing machine.**

The IMSC decided to include label printing machine by amending the existing entry in Annexure E’ at Sr.No.a.44, as under:-

“ a. 44. Computerised label making machine/computerised label printing machine.”

**xi) Eligibility of the High Speed computerised warping machine for knitting.**

The Committee decided to include the item “High speed computerised warping machine for knitting’ at ‘c.4’ of Annexure D-1 as sub entry 4(b) after renumbering present entry ‘c.4’ as ‘c.4(a)’.

**xii) Inclusion of the following machines to manufacture technical textiles.**

**The committee, in order to encourage setting up of technical textiles units as well as to facilitate modernization of existing units by availing of assistance under TUFs, decided to include the following machinery used for the manufacture of Technical Textiles by incorporating them at Annexure - D-2 as follows: -**

1. ‘Spooling machine as a new item at ‘a.3’.
2. ‘Servo drive with control unit’ as a new item at ‘b.4’.
3. ‘Heat setting machine and stretching (for heat setting table) ’ as a new item at ‘d.8’.
4. ‘Feltperm’ as a new item at ‘g.8’.
5. ‘Point paper design system with EWE’ as a new item at ‘g.9’.

(Smt Shashi Singh)

(Director)

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 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

**Copy for information to:**

1. All members of IMSC & TAMC.
2. Shri Sudhir Bhargava, Joint Secretary, Ministry of Textiles, New Delhi.
3. Shri Y.P.Singh, Director, Ministry of Textiles, New Delhi.

(Smt. Shashi Singh)

Director