

**GOVERNMENT OF INDIA  
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No. 28(19)/2005-MS/

Date: 21<sup>st</sup> April, 2005

**Circular No. 1  
(2005-2006 Series)**

**Sub: Technology Upgradation Fund Scheme (TUFS) –  
Credit Linked Capital Subsidy @ 20% under  
TUFS (CLCS@20% -TUFS) for decentralized  
powerloom sector.**

- 1) **Clarification regarding the ceiling of 20% capital subsidy under CLCS@20%-TUFS.**

Reference is invited to para 1 (i) of Circular No.6 (2004-2005 series) dated 25<sup>th</sup> Jan., 2005 wherein it was mentioned that with effect from 13<sup>th</sup> Jan., 2005 Govt. has approved the increase in the capital ceiling for machinery from Rs.60 lakh to Rs.1 crore for decentralized powerloom sector under CLCS@20%-TUFS. A query has been raised as to whether the capital subsidy is continuing at Rs.12 lakh or it has also been increased to Rs.20 lakh. In this regard, it is clarified that since the capital ceiling for machinery has been increased from Rs.60 lakh to Rs.1 crore, the ceiling on capital subsidy has also been increased **from Rs.12 lakh to Rs.20 lakh** with effect from 13<sup>th</sup> Jan., 2005.

- 2) **Clarification regarding the criteria for eligibility of increased ceiling of 20% capital subsidy from Rs.12 lakh to Rs.20 lakh under CLCS@20%-TUFS for decentralized powerloom sector.**

The criteria for deciding the eligibility for enhanced capital subsidy of 20% (i.e., Rs.20 lakh) is as under :

***Indigenous looms*** : The purchase date of loom is on or after 13<sup>th</sup> Jan., 2005.

***Imported looms*** : Bill of entry is on or after 13<sup>th</sup> Jan., 2005.

- 3) **Fixation of benchmarked price of second hand imported shuttleless looms of vintage exceeding 10 years and upto 15 years with a residual life of 10 years under CLCS@20%-TUFS.**

Reference is invited to para 1 (iii) of Circular No.9 (2004-2005 series) dated 26<sup>th</sup> Feb., 2005 wherein it was mentioned that the vintage period of second

hand imported projectile, rapier, airjet and waterjet shuttleless looms has been increased from 10 years to 15 years with a residual life of 10 years under TUFs with effect from 22<sup>nd</sup> Feb., 2005. The cut-off date for deciding the eligibility will be Bill of Entry dated 22-02-2005 or later. The benchmarked price for the second hand imported shuttleless looms of vintage exceeding 10 years and upto 15 years has been fixed under CLCS@20%-TUFs as under:

**Benchmarked prices for 2<sup>nd</sup> hand shuttleless imported looms of vintage exceeding 10 years and upto 15 years and residual life of 10 years**

<b>Sr. No.</b>	<b>Description of the second hand imported machinery with vintage exceeding 10 years and upto 15 years and residual life of 10 years</b>	<b>Specification / Models</b>	<b>Upper ceiling on Benchmark price for subsidy purposes. (Rs. lakh)</b>
1	Water jet looms with tappet/cam	Irrespective of the speed/width	<b>3.60</b>
2	Water Jet looms with doobby/Jacquard	Irrespective of the speed/width	<b>4.40</b>
3	Projectile loom with tappet/cam	P-7100, P-7150, P-7200, P-7250	<b>9.60</b>
	Projectile loom with doobby	P-7100, P-7150, P-7200, P-7250	<b>11.20</b>
	Projectile loom with tappet	P-Lean	<b>8.00</b>
4	Airjet loom with tappet/cam	Irrespective of the speed/width	<b>8.40</b>
5	Airjet loom with doobby	Irrespective of the speed/width	<b>9.80</b>
6	Rapier loom (with/without doobby)	Insertion rate of 350-500 meters/min.	<b>1.00</b>
7	Rapier loom (with/without doobby)	Insertion rate of 501-750 meters/min.	<b>3.60</b>
8	Rapier loom without doobby	Insertion rate of 750 meters/min.	<b>6.40</b>
9	Rapier loom with doobby	Insertion rate of above 750 meters/min.	<b>8.00</b>

**Note:** Prices above are CIF prices. Subsidy will be admissible on actual CIF price (subject to above ceiling) plus actual customs duty.

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

(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 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. Shri S.A. Baba, Director, Ministry of Textiles, New Delhi – 110 011

(Smt Shashi Singh)  
Director