

**GOVERNMENT OF INDIA  
MINISTRY OF TEXTILES  
OFFICE OF THE TEXTILE COMMISSIONER  
POST BAG NO. 11500, MUMBAI - 400 020  
Fax: 022 – 22002495, E-mail: dirss@txcindia.com  
Website: www.txcindia.com**

No. 28(19)/2003-MS/

Date: 20<sup>th</sup> October 2004

**Circular No. 4  
(2004-2005 Series)**

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

**1. Co-option of additional banks / financial institutions by Nodal Agencies.**

- (i) Small Industries Development Bank of India (SIDBI), the nodal agency (NA) for textile industry (SSI) under Technology Upgradation Fund Scheme, vide letter No. MHO/3892/DFID/RTUF dated. 5<sup>th</sup> October 2004, has co-opted the Kohinoor Sahakari Bank Ltd., Ichalkaranji for textile industry under the TUF Scheme.
- (ii) Industrial Development Bank of India (IDBI), the Nodal Agency (NA) for textile industry (Non-SSI) under Technology Upgradation Fund Scheme, vide letter No.IDBI.HO/TUFS (6) dated. 6<sup>th</sup> October 2004, has co-opted the Jankalyan Sahakari Bank Ltd., Mumbai, for Non-SSI textile sector under the TUF Scheme.

**2. Decisions taken by Inter Ministerial Steering Committee (IMSC) on TUFS in its 17<sup>th</sup> meeting held at New Delhi on 15<sup>th</sup> October 2004.**

- (i) **Reduction of MES of new spinning units under cotton ring spinning system from the prevailing 25,000 spindles.**

The minimum economic size (MES) for new spinning units under cotton ring spinning system has been reduced to 12,000 spindles from the existing 25,000 spindles.

**(ii) Reduction of MES of existing spinning units under cotton ring spinning system from the prevailing 12,000 spindles.**

- (a) The minimum economic size (MES) for currently existing spinning units under cotton ring spinning system has been reduced to 8,000 spindles from the existing 12,000 spindles.
- (b) Existing knitting, garmenting and powerloom units are also permitted to set up new spinning units with minimum 8000 spindles for captive yarn requirement as backward integration.

**(iii) Deletion of down stream value addition stipulation for new spinning mills as well as expansion of existing spinning mills under TUFS.**

The downstream value addition stipulation for new spinning mills as well as expansion of existing spinning mills under TUFS has been done away with. The decision will be applicable to such units which are being set up, have started expansion with the condition of downstream value addition norms in the past.

**The above modifications/ relaxation 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 Atul Chaturvedi, 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