

**GOVERNMENT OF INDIA  
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OFFICE OF THE TEXTILE COMMISSIONER  
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**Circular No. 4  
(2005-2006 Series)**

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

**I. Additional 12 nodal banks under TUFS.**

The Inter-Ministerial Steering Committee (IMSC) in its 19<sup>th</sup> meeting held at New Delhi on 25<sup>th</sup> July, 2005 decided to co-opt additional 12 nodal banks under TUFS for the cases financed by them. The identified 12 banks have consented to become nodal banks under TUFS. The names of the 12 banks are as under :

1) State Bank of India	2) Bank of India
3) EXIM Bank	4) Central Bank of India
5) Punjab National Bank	6) Andhra Bank
7) Union Bank of India	8) Indian Overseas Bank
9) Bank of Baroda	10) ICICI Bank
11) Canara Bank	12) National Co-operative Development Corporation (NCDC)

- (i) The nodal banks will determine the eligibility and release the TUFS benefit in respect of all the cases financed by them under TUFS including non-SSI, SSI and also cases covered under 15% CLCS –TUFS for SSI sector and 10% capital subsidy for specified processing machinery. The State Bank of India will also function as nodal bank for its seven associate banks.
- (ii) **The cut-off date for additional nodal banks is 1<sup>st</sup> October, 2005.** In respect of ongoing cases under TUFS, Nodal Banks **shall administer interest reimbursement for the quarter July-September 2005 (payable**

**from October 1, 2005) and onwards.** In respect of new cases and past cases (for which interest reimbursement has not been claimed from IDBIL / SIDBI for some reason altogether or for some period), interest reimbursement shall be administered by Nodal Banks from October 1, 2005, though the claim/s may pertain to period earlier than quarter July-September 2005.

- (iii) The Nodal Banks shall examine eligibility of cases from TUFS-angle before a project becomes eligible to the benefit of interest reimbursement under TUFS.
- (iv) In case of consortium financing, the consortium leader shall assess eligibility of the project under TUFS for itself and also for other members of the consortium, provided the consortium leader is a nodal bank. In case consortium leader is not a nodal bank, the nodal bank with major share of term loan shall assess the eligibility of the project.
- (v) In case of financing by multiple banks, the bank with major share of term loan shall assess eligibility of the project under TUFS for itself and also for other banks, provided the said bank is a nodal bank. In case bank with a major share of term loan is not a nodal bank, the nodal bank with major share of term loan shall assess the eligibility of the project.
- (vi) In case of consortium financing / financing by multiple banks, the individual banks shall administer interest reimbursement to their assisted units, provided the banks are nodal banks. However, IDBIL / SIDBI shall administer interest reimbursement to those banks of the consortium / multiple banking arrangement which are **not** nodal banks, for which purpose IDBIL / SIDBI shall be endorsed / forwarded a copy of eligibility certificate by the nodal bank, issued to such banks.
- (vii) Nodal Banks shall examine eligibility of new cases, as well as of existing cases (i.e., already assessed by IDBIL/ SIDBI) in case of change in scope (on the lines as if fresh case) / change in repayment schedules / funding of interest / takeover of loan / conversion of Rupee Term Loan (RTL) to Foreign Currency Loan (FCL) and vice versa, etc., **from 1-Oct-05.**
- (viii) **IDBIL / SIDBI shall examine all the cases received upto September 30, 2005.** The references / proposals which are not cleared by IDBIL / SIDBI

under TUFs for want of additional information, the same shall be attended to by new nodal banks in the light of the query made / raised by IDBIL / SIDBI.

- (ix) Nodal Banks would have retained correspondence on their files in respect of existing cases examined by IDBIL / SIDBI under TUFs. IDBIL / SIDBI shall, therefore, retain the existing case files for the time being. The files shall be transferred to respective nodal banks in due course of time.
- (x) Nodal Banks shall submit annual forecast of funds required, about 6 months in advance of budget, to Ministry of Textiles (MoT), Government of India (GoI), New Delhi, for necessary budgetary allocation, followed by submission of quarterly interest reimbursement claims to MoT, GoI, New Delhi, 1-1/2 to 1 month in advance of due date (viz., 1<sup>st</sup> July / 1<sup>st</sup> October / 1<sup>st</sup> January / 1<sup>st</sup> April) based on principal outstanding amount in respect of their assisted cases, for actual release of funds by MoT, GoI, New Delhi.
- (xi) Nodal Banks shall submit utilisation certificate to MoT, GoI, New Delhi in prescribed formats on monthly / quarterly basis before submission of next quarterly claim in the prescribed format.
- (xii) As funds will be placed by MoT, GoI, New Delhi, with Nodal Banks in advance, they shall open a dedicated account for keeping the funds so released by MoT, GoI, New Delhi. Any interest that may accrue on the balances lying pending release in the dedicated account shall be adjusted against future quarterly claim, to be lodged with MoT, GoI, New Delhi.
- (xiii) Nodal Banks shall maintain requisite database of company / project-wise eligibility established / pending references for TUFs-eligibility / interest reimbursement effected, etc. for information to Office of the Textile Commissioner, Mumbai / MoT, GoI, New Delhi, and parliament questions, if any.
- (xiv) The Nodal Banks will try to implement an '**on-line system**' for expeditious clearance of the TUFs cases and releasing of TUFs subsidy to the beneficiary. The SIDBI has implemented such a system, if needed, the nodal banks may contact SIDBI for assistance in this regard.

- (xv) IDBIL / SIDBI would render advisory services to Nodal Banks during the formative stage and will organise work shops for the benefit of the nodal banks 'on demand' basis.
- (xvi) In case of any doubts regarding eligibility of a case or any other related issue nodal banks may contact IDBIL / SIDBI or office of the Textile Commissioner for guidance / assistance.
- (xvii) **The nodal banks will decide the TUFs eligibility of a case within 4-6 weeks of sanction of the loan, subject to the condition that interest reimbursement is released to the TUFs beneficiary within one / two days of payment of interest.**

## **II. Co-option of additional banks by Nodal Agencies.**

- (i) Industrial Development Bank of India (IDBI), the nodal agency for non-SSI sector of the textile industry has co-opted United Bank of India, Kolkata, Prime Co-operative Bank Ltd., Surat, The Maharashtra State Co-op. Bank Ltd., Mumbai and The Sarvodaya Sahakari Bank Ltd., Surat.
- (ii) Small Industries Development Bank of India (SIDBI), the nodal agency for SSI sector of the textile industry has co-opted Shri Parshwanath Co-operative Bank Ltd., Sangli and The Kalyan Janata Sahakari Bank Ltd., Kalyan.

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

(Smt Shashi Singh)  
Joint Textile Commissioner

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)  
Joint Textile Commissioner