

**GOVERNMENT OF INDIA
MINISTRY OF TEXTILES
OFFICE OF THE TEXTILE COMMISSIONER
POST BAG NO. 11500: MUMBAI-400 020
Fax:022-2004693, E-mail: texcom@mah.nic.in**

No.28(19)/2000/MS

Dated:4th Aug., 2000.

**Circular No.7
(2000-2001 Series)**

Sub: Technology Upgradation Fund Scheme(TUFS)

The clarification given by TAMC in its 2nd and 3rd meeting and the decisions taken by the Inter Ministerial Steering Committee (IMSC) in its 6th meeting with regard to norms relating to TUFS are as follows:

1. **Cut-off date with regard to part disbursed loan cases :**

The Steering Committee approved the proposal that the nodal agencies and co-opted PLI's may not insist on splitting ongoing/partly disbursed cases before 1-4-99 and for submission of fresh proposals for coverage under TUFS. They may cover the post-march 1999 part under TUFS subject to satisfaction of technology norms by the project as a whole.

2. **Compact Spinning Machines :**

The Steering Committee approved the installation of **compact spinning machine**, a new technology, for setting up of new or for modernisation/replacement of existing ring frames, provided investment in permissible downstream value addition process is equal to atleast 50% of production capacity (calculated at an average 30's count) of incremental spindleage installed under TUFS and not 100% matching capacity for such downstream value addition processes.

3. **Import of second hand looms with preparatory machines:**

The Steering Committee approved the amendment in Para 3.2(2)(i) & (iv) of the Scheme by way of substitution of existing paras as under:

- a) "3.2(2)(i). Projectile shuttleless looms, with or without high speed direct beam warper with creel and/or sectional wrapping machine with auto stop and tension control."
- b) "3.2(2)(iv). Rapier shuttleless looms, with or without high speed direct beam warper with creel and/or sectional warping machine with auto stop and tension control."

4. **Scrapping of replaced Ring Spindles :**

It is clarified by TAMC that the vintage of spindles to be scrapped may be bench marked at 15 years and for other pre and post spinning machines, the vintage may be bench marked at 20 years, as the pre and post spinning machines are not so

critical and do not affect the enhancement of spindle capacity. Therefore, the financial institutions/lending agencies may ensure that machinery older than that are invariably scrapped.

5. **Eligibility of Draw frame :**

In response to IDBI's query as to whether Draw frame SB2 without auto levellers could be considered, the TAMC clarified that the draw-frame without auto-leveller could be considered if it is required as a preaker draw frame, whereas for a finisher draw frame, it should be fitted with auto leveller. The factual position must be confirmed by the financial institutions/lending agencies while considering the application.

6. **Eligibility of investment in captive power plants:**

The Steering Committee approved the Industry suggestion relating to eligibility of investment in captive power plants (CPP) in a phase other than technology upgradation or phase wise technology upgradation, provided the power requirement of technologically upgraded facility effected in all the phases put together is matching with or more than the capacity of the CPP and the benefit will be commensurate with the date of Technology Upgradation. Excess capacity of CPP will not be entitled to the benefit.

7. **Deficit in weft insertion rate :**

The Steering Committee approved the marginal deficit of upto 5% in the weft insertion rate of old sulzer projectile weaving machines with a width of 190 cms, and in other similar cases, provided they otherwise conform to the approved technology norms under the TUFS.

8. **Inclusion of electronic jacquard :**

The TAMC clarified that since shuttless looms are already covered under TUFS and the electronic jacquard is an optional attachment of the looms, it could also be considered as eligible under TUFS and there is no need to specifically have a separate entry for the same.

9. **Amendments in Annexure-B :**

In Annexure 'B' annexed to the Principal Resolution, the following amendments and additions shall be made, namely :-

(a) **Amendments**

<u>Original</u>	<u>Revised</u>
<u>Entry No</u>	<u>Entry No</u>

After amendment to read as below :

a.2	a.2(i)	Sophisticated blow room machinery for cotton fibre and its blends consisting of pre-cleaners, opening and cleaning machines with chute feeding system, metal detector, microdust remover and dedusting condensers (for open end rotor spinning) with or without foreign fibre detector/remover.
-----	--------	---

<u>Original Entry No</u>	<u>Revised Entry No</u>	<u>After amendment to read as below :</u>
	(ii)	Sophisticated blow room machinery for synthetic/ regenerated fibres and their blends consisting of opening and cleaning machines with chute feed system, metal detector with or without foreign fibre detector / remover.
a.3	a.3	Automatic waste extraction system for card, gill box, comber and ring frame with or without waste recovery / recycling machinery.
a.4	a.4(i)	High production card capable of producing sliver above 50 kgs/hr with autoleveller.
	(ii)	High production card for lap feed system capable of producing sliver above 50 kg/hr with or without autoleveller.
a.12	a.12	Electronic yarn clearers and splicers.

b) **Additions**

<u>Entry No.</u>	<u>Specifications of machinery</u>
b.12	Automatic waste extraction system for card, gill box, comber and ring frame with or without waste recovery/recycling machinery.
c.8	Automatic waste extraction system for card with or without waste recovery / recycling machinery.

10. **Amendments in Annexure –E:**

In Annexure ‘E’ annexed to the Principal Resolution, the following amendments and additions shall be made, namely :

(a) **Amendments:**

<u>Original Entry No.</u>	<u>Revised Entry No.</u>	<u>After amendment to read as below</u>
a.13	a.13	Smocking machine / Automatic multi needle serring machine.
a.20	a.20	Industrial steam iron with vacuum table and / or buck press.
a.24	a.24	Automatic spreading & cutting table with vacuum and / or air blowing device.
a.33	a.33	Whole garment making machine for knitting garments or power operated garment panel forming knitting machine with linking machine.
a.35	a.35	Automatic thread trimming / sucking machine.

<u>Original Entry No.</u>	<u>Revised Entry No.</u>	<u>After amendment to read as below</u>
a.43	a.43	CAD/CAM pattern maker with ploter and software including software equipment for embroidery machine.

(b) **Additions****Entry No.****Specifications of machinery**

a.45	Button wrapping / shanking machine.
a.46	Feed-off-the-arm industrial sewing machine.
a.47	Automatic dart/pleat making machine.
a.48	Automatic label / ply picking machine.
a.49	Pin tucking machine.
a.50	Mechanised fabric pinning table.
a.51	Single needle basting machine.
a.52	Single needle post bed sleeve setting machine.
a.53	Hanging production conveyor system.

11. **Amendment in Annexure-G :**

In Annexure 'G' annexed to the Principal Resolution, the following additions shall be made, namely :

Addition**Entry No.****Specification of Machinery**

c.9

Apron draft spinning

The above modifications in the scheme would facilitate better access to the scheme for all segments of the textile and jute industries.

(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.