

**GOVERNMENT OF INDIA
MINISTRY OF TEXTILES
OFFICE OF THE TEXTILE COMMISSIONER
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**Circular No. 8
(2004-2005 Series)**

Sub: Technology Upgradation Fund Scheme (TUFS) –

**Credit Linked Capital Subsidy @ 20% / 15%
under TUFS (CLCS@20% / 15% TUFS)**

1) **CLCS@20%-TUFS for SSI Powerloom units:**

Question has been raised with regard to eligibility of SSI Powerloom units, which would graduate out of SSI limit after availing of assistance under 20% CLCS-TUFS. In this regard it is clarified that such units would be eligible for assistance under CLCS-TUFS to the extent of Rs. One Crore. However subsequent to availing of assistance and graduating to Medium Scale Industry (MSI), such units will not be eligible again for 20% CLCS-TUFS.

2) **CLCS @15% - TUFS for SSI units :**

i) A query has been raised as to whether the increase in capital subsidy would be available to all proposals which were sanctioned prior to 13th January 2005 but where disbursement is yet to start. In this regard it is informed that since the capital subsidy is to be released on pro-rata basis along with disbursement of loan sanctioned for technology upgradation, the 15% subsidy will be available to the proposals which were sanctioned prior to 13th Jan., 2005, but where disbursement is yet to start.

ii) Another query has been raised as to whether the increase in capital subsidy would be available in cases sanctioned prior to 13th Jan., 2005 where part disbursement has already been made prior to 13th Jan., 2005. In this regard it is informed that the increased capital subsidy of 15% will also be available on disbursement made on or after 13.1.2005 to sanctioned cases prior to 13th Jan. 2005 where part disbursement has already been made prior to 13th Jan., 2005.

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

P.T.O.

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