

**GOVERNMENT OF INDIA
MINISTRY OF TEXTILES
OFFICE OF THE TEXTILE COMMISSIONER
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No. 28(19)/2005-MS/

Date : 20th Jan., 2006

**Circular No. 8
(2005-2006 Series)**

Sub : Technology Upgradation Fund Scheme (TUFS).

1) Clarification regarding the effective date for the eligibility of newly included processing machinery for 10% capital subsidy in addition to 5% interest reimbursement under TUFS.

A query has been raised regarding the effective date for the eligibility of the additional processing machinery for 10% capital subsidy under TUFS issued vide Circular No.7 (2005-2006 series) dated 2nd Dec., 2005. It is clarified that the 10% capital subsidy will be applicable to newly added specified processing machinery with effect from 6th October, 2005 (i.e., Date of approval of Cabinet Committee). Thus disbursement made by the lending agency in respect of aforesaid machinery on or after 6th October 2005 will be eligible for 10% capital subsidy.

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

(a) A query has been raised with regard to eligibility of SSI units, which would graduate out of SSI limit after availing of assistance under 15% 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 15% CLCS-TUFS.

(b) A query has been raised with regard to eligibility of SSI units, which are taken over by non-SSI units / newly incorporate entities / change their constitution after availing of assistance under 15% CLCS-TUFS. In this regard it is clarified that such units can retain the capital subsidy provided the units remain in operation for a period of atleast three years from the date of disbursement of subsidy and do not avail of 5% interest reimbursement on the term loan part of this project.

3) Co-option of additional banks by IDBI / SIDBI.

Small Industries Development Bank of India (SIDBI), the nodal agency for SSI sector of the textile industry has co-opted the Jain Sahakari Bank Ltd., Mumbai.

The above clarification 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