



**Dr. J.N. Singh**



## **P R E F A C E**

The Indian textile industry has a significant presence in the Indian economy as well as in the international textile economy. Its contribution to the Indian economy is manifested in terms of its contribution to the industrial production, employment generation and foreign exchange earnings. The industry however faces difficulties in the field of power, transactional cost and additional cost due to poor infrastructure.

The Technology Upgradation Fund Scheme (TUFS), which was introduced on 01.04.1999, has helped overcome technological obsolescence, change from quantitatively restricted textiles trade to market-driven global merchandise and create economies of scale and increased the flow of investment in this sector.

The Scheme has been continued in a modified form with effect from 1.4.2007 and now it will provide 5% interest reimbursement plus 10% capital subsidy for specified machinery required in manufacture of technical textiles and garmenting machineries and will continue to provide 5% interest reimbursement plus 10% capital subsidy for specified processing machinery.

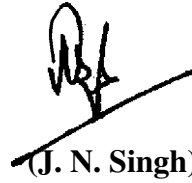
This booklet has been designed to provide all the requisite information to the entrepreneur desirous of availing of loan under the TUFS. The booklet contains Govt. Resolution on TUFS, List of co-opted lending agencies, formats for submission of data on progress of TUFS and addresses of the nodal agencies / nodal banks and major co-opted PLIs.

The Govt. resolution presents the objective of the Technology Upgradation Fund, scope of the scheme, general eligibility criteria, viz., type of units, type of machinery, other eligible investments etc. and sector-specific technological criteria benchmarked in terms of eligible technology and exhaustive list of eligible machinery.

The financial norms, viz., duration of the loan, amount of loan, promoters' contribution, repayment norms and rate of interest charged to the borrower are detailed out in the booklet for each of the designated nodal agencies, i.e., IDBI and SIDBI for the textile sector and IFCI for the jute sector.

I hope, the textile industry and other organisations connected with the industry, more particularly the prospective investors under TUFs will find this booklet handy and useful.

I also take this opportunity to thank the Hon'ble Minister of Textiles, Shri Shankersinh Vaghela, Hon'ble State Minister, Shri E.V.K.S.Elangovan and the Secretary, Textiles Shri A.K. Singh for their efforts in extending the TUF Scheme. I also thank all my colleagues in the Ministry, in my office, Jute Commissioner's office, the lending agencies, industry representatives for their valuable contribution in the formulation and launching of this ambitious scheme.



**(J. N. Singh)**  
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**Ministry of Textiles**  
**Government of India**

**Place : Mumbai.**  
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