

No. 6/18/2014-TUFS
Government of India
Ministry of Textiles

Udyog Bhawan,
New Delhi.
29th October, 2014

OFFICE MEMORANDUM

Subject: Brief Guidelines on Technology Upgradation Fund Scheme (TUFS).

The undersigned is directed to say that Technology Upgradation Fund Scheme (TUFS), a flagship scheme of the Ministry of Textiles (MOT) was introduced in 1999 to catalyze investment in all the sub-sectors of textiles industry for technology upgradation of the machinery by way of interest reimbursement. The scheme is being implemented through specified Lending Agencies. The scheme was modified from time to time and last notified vide Ministry of Textiles' Resolution No. 6/19/2013-TUFS dated 04.10.2013 containing exhaustive guidelines covering the list of eligible machineries / equipments, details of subsidy benefits, list of Lending Agencies along with various formats prescribed etc. [Copy available on the website of the Office of Textile Commissioner, Mumbai – http://www.txcindia.gov.in/tufs_home/tufs_home.htm.]

2. In course of audit / inspection of selected Banks implementing the scheme done by the Chief Controller of Accounts, Ministry of Commerce and Textiles recently, certain anomalies such as delay in disbursement of subsidy into the beneficiary's account by Banks, error in calculation of subsidy, delay in lodging of claims, non-availability of documents etc. were found. Based on the same, the Internal Finance Wing of this Ministry has advised to revisit the procedure for claiming of subsidy under the scheme. Subsequently, the procedure for claiming subsidy under TUFS, was discussed extensively with the Bankers, Officers dealing with implementation of the scheme, representatives of the industry / entrepreneurs, as well as in the Inter -Ministerial Steering Committee (IMSC) in its 4th meeting held on 04.09.2014. Accordingly, the procedure for submission and processing of the claims under TUFS is hereby amended as follows:

I. Action to be taken Entrepreneur:

(1) The entrepreneur seeking assistance under the scheme shall submit application along with details and DPR of the unit to the lending agency/bank as laid down. He shall give an undertaking to the effect that all information given is true and that he has not availed loan for the said proposal from any other source and in the event of anything found to be false, he shall be liable for refunding the amount of subsidy along with penal interest and would stand debarred from getting assistance under the scheme. The entrepreneur will ensure that the documents required for obtaining UID are submitted to the Banks within six months of the sanction of Term Loan. He will also furnish information to the Textile Commissioner (TxC) in Format A1 (Annexure-I) along with relevant documents such as DPR, Bank's sanction letter regarding Term Loan.

II. Action to be taken by Lending Agency / Bank:

(2) Lending agency shall obtain an undertaking in duplicate from the beneficiary units to the effect that they have not claimed the benefits in regard to the said machinery from any other lending agency while processing Unique Identification Number (UID). One copy of the said undertaking shall be retained by the Bank and other copy shall be sent to the Textile Commissioner.

(2) (i) Lending agency will submit on-line unit-wise data and a hard copy of all documents filed by the unit along with Certificate regarding Physical Verification of Assets duly countersigned by the in-charge TUFS Cell to the Textile Commissioner (TXC), who shall maintain unit wise file with all relevant information / documents. All claims for subsidy sent to the Textile Commissioner must be signed by the Branch Manager of the Bank.

(2) (ii) Subsidy Claim Correctness Certificate signed by an officer of Executive Director level will be obtained in cases of refunds received during the intervening period of release of funds between two quarters i.e. while releasing funds in the next following quarter, if any refund is received from any bank in the preceding quarter, ED level certificate is obtained from the said bank before releasing funds. In subsequent quarter(s) if no refund is made by the said bank, ED level certificate will not be insisted upon.

(2) (iii) On receipt of subsidy from the Ministry of Textiles, the lending agencies will transfer the amount of subsidy into beneficiaries' account within a period not exceeding three days.

(2) (iv) The lending agencies will follow the Check Lists given at Annexure-II, III & IV.

(2) (v) The Forms / Check Lists which are not available online at present should be digitised and put in the online system of the office of the Textile Commissioner. Till such time the Forms / Check Lists are put in the online system, duly filled in and signed scanned copies thereof may be sent to the office of the Textile Commissioner.

III. Action to be taken by the Office of Textile Commissioner:

(3) The Office of TXC will consolidate the claims (M-TUFS, R-TUFS and RR-TUFS separately) of each lending agency and obtain requisite certificates i.e. Utilisation Certificate, Claim Correctness Certificate, Certificate of not indulging in corrupt practices, Certificate of acceptance of terms and conditions of sanction, Physical Verification of Assets etc.

(3) (i) The Office of TXC shall append a Certificate to the effect that (a) the claims have been scrutinized in the Office of TXC based on documents furnished by the Bank and it is certified that the claims are correct. (b) Lending agencies have certified that the assets have been physically verified in each case. Physical Verification Certificate will be required when the claim is submitted for the first time.

(3) (ii) The claims submitted by the Banks shall be verified and signed by the officer dealing with the scheme and countersigned by the Textile Commissioner before sending to the Ministry.

(3) (iii) The Office of TXC will forward unit-wise details of subsidy released to Chief Controller of Accounts, Ministry of Textiles.

(3) (iv) The office of TXC will follow the Check Lists given at Annexure-V&VI.

IV. Action to be taken by the Ministry of Textiles:

(4) TUFs Division of the Ministry of Textiles (MOT) will scrutinise the claims, issue necessary sanction orders with the concurrence of Internal Finance Wing and submit the bills to PAO for release of subsidy to the concerned Banks.

3. The regional offices of the Textile Commissioner shall extend necessary technical support / guidance to the Banks / Lending Agencies for identification of bench marked technology as specified under TUFs. On the basis of requests of the Banks / Lending Agencies, the Powerloom Service Centres under the administrative control of the office of the Textile Commissioner and regional offices of the Textile Committee (List enclosed as Annexure-VII) shall supplement this and extend technical support to the concerned Banks / Lending Agencies, as and when approached.

4. All concerned are requested to ensure strict compliance of these guidelines in processing of claims under TUFs.

(Naresh Kumar)
Under Secretary to the Govt. of India

To

1. The Textile Commissioner, Office of the Textile Commissioner, Mumbai.
2. Secretary, Textile Committee, Mumbai.
3. Joint Secretary (Banking), Department of Financial Services, 3rd Floor, Jeevan Deep Building, Parliament Street, New Delhi 110001.
4. All Nodal Banks / Lending Agencies.
5. All Industry Associations.