

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2614
ANSWERED ON:07.03.2003
TECHNOLOGY UPGRADATION FUND
SULTAN SALAHUDDIN OWAISI

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government have launched the Technology Upgradation Fund Scheme w.e.f. April 1, 1999 for modernisation of textile and jute industry for a period of five years;
- (b) the total number of applications received by the Government under this scheme till January, 2003, the number of applications cleared, loan sanctioned and the applications pending for clearance;
- (c) whether it is a fact that the applicants are going through great hardships for obtaining loan under this scheme due to procedural delays; and
- (d) if so, the steps taken or being taken by the Government to simplify the procedure to clear the applications quickly?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL))

(a) Yes, Sir.

(b) As on December 31, 2002, 2023 applications have been received under the scheme with a project cost of Rs. 15810 crore and a loan requirement of Rs. 9095 crore. 1782 applications have been sanctioned a loan amount of Rs. 6101 crore. Rs. 4203 crore has been disbursed in respect of 1430 applications.

(c) & (d) For monitoring and review of the Technology Upgradation Fund Scheme (TUFS), an Inter-Ministerial Steering Committee (IMSC) under the Chairmanship of the Secretary (Textiles) including representations of Departments of Expenditure, Commerce, Industry, Banking and Planning Commission has been constituted. Besides, a Technical Advisory and Monitoring Committee (TAMC) under the chairmanship of the Textile Commissioner has also been constituted to monitor and review the progress of the scheme, accelerate its implementation as well as to suggest necessary changes in the technical/financial norms and other aspects for smooth operation of the scheme. Government provides interest reimbursement of 5% under this Scheme through three Nodal Agencies (NA)- Industrial Development Bank of India (IDBI) for Non- Small Scale Industry (SSI) textile sector, Small Industries Development Bank of India (SIDBI) for SSI textile sector and Industrial Finance Corporation of India (IFCI) for Jute sector. Further, IDBI has co-opted 8 banks/financial institutions (FIs), SIDBI has co-opted 142 banks/FIs and IFCI has co-opted 14 banks/FIs. The cases of delay and other difficulties faced by the applicants are taken up with concerned banks/FIs for early solution. General problems faced by the industry in this regard are placed in the meetings of Technical Advisory cum Monitoring Committee (TAMC) of TUFS and appropriate decisions taken to mitigate the problems. All the nodal agencies and some major banks are the members of the TAMC. Periodical meetings of nodal agencies and co-opted Primary Lending Institutions (PLIs) are convened and they are impressed upon the need for speedy disposal of applications under TUFS. Taking into account suggestions received from various organizations of textile industry, Government has been making suitable amendments to the Scheme to make it more users friendly. As a result of these efforts, cases of difficulties have come down considerably.