

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2807
ANSWERED ON:12.12.2006
TANNERY TECHNOLOGY UPGRADATION FUND FOR LEATHER INDUSTRY
Moorthy Shri A.K.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) Whether the Tannery Technology upgradation fund for leather industry has been set up ;
(b) If so, the details thereof ;
(c) Detailed the money released so far in Tamil Nadu; and
(d) The reasons for not releasing the full amount ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR)

(a)&(b) : The Union Government has notified a comprehensive scheme titled "Integrated Development of Leather Sector" (IDLS) for modernization and technology up-gradation in all the segments of the Leather Industry which inter-alia includes tanneries. The Scheme became operational with effect from November 3, 2005. The assistance is available in the form of investment grant @ of 30% to SSI units and 20% to non-SSI units with a ceiling of Rs. 50 lakh for both SSI & non-SSI units. The Scheme is being implemented through two Project Implementation Units

(PIUs), viz., Central Leather Research Institute (CLRI) for tanneries and Footwear Design and Development Institute (FDDI) for leather goods and garments, saddlery, leather footwear and footwear components. An industrial unit desirous of availing financial assistance under this scheme has to apply in the prescribed form to a PIU. After technical appraisal by the PIU and financial appraisal by the concerned Bank sanctioning loan to the units or Small Industries Development Bank of India (SIDBI) in case of self-financing cases, applications are placed before a Steering Committee for sanction. The Scheme does not provide for a State-wise allocation of funds.

(c) : Details of cases approved by the Steering Committee and funds released pertaining to the State of Tamil Nadu is tabled below: -

Number of cases approved by the Steering Committee	Amount of Government of India's assistance involved	Amount of Government of India's assistance released to site	Amount of Government of India's assistance released to units excluding tanneries	Amount to be released to the units after installation of machines at	Amount of Government of India's assistance released to
--	---	---	--	--	--

48 cases (39 tanneries & 9 others)	Rs. 9.91 crore	Rs. 1.82 crore	Rs. 0.93 crore	Rs. 0.89 crore	Rs. 8.09 crore
--	-------------------	-------------------	-------------------	-------------------	-------------------

(d) : The Government of India's assistance for the scheme is released for purchase and installation of machines at site. The scheme is under implementation only since November, 2005 and most of the units are currently still implementing their modernization projects. While some projects are under implementation, release of proportional assistance has also been allowed.

