

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1190

ANSWERED ON:04.03.2010

FUNCTIONING OF TUFS

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Will the Minister of TEXTILES be pleased to state:

- (a) whether the amount of grant permissible under the Technology Upgradation Fund Scheme (TUFS) is sufficient for modernization in current scenario;
- (b) if not, any scope of enlarging this limit in future;
- (c) whether the Government has assessed the performance of TUFS keeping in view the overall textile sector;
- (d) if so, the outcome thereof and the corrective measures taken by the Government in this regard;
- (e) whether the Government is contemplating to extend the period of TUFS beyond the current date; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAACA LAKSHMI)

(a) & (b): Technology Upgradation Fund Scheme (TUFS) is an open ended and need based scheme. There is no ceiling either on the investment or on 5% interest subsidy/10% capital subsidy. However, there is capital ceiling on investment of Rs. 200 lakh and ceiling of Rs. 15 lakh on 15% margin money subsidy for SSI textile sector. Further a capital ceiling of Rs. 200 lakh and ceiling of Rs. 20 lakh on 20% margin money subsidy for powerloom sector.

(c) & (d): In order to assess the impact of TUFS on the textile industry in India, two studies on the evaluation of the TUFS have been done. One through the Mumbai University's Institute of Chemical Technology (MUICT) in the year 2003 and second by M/s. KSA Technopak (India) Pvt. Ltd. in the year 2006. The Government has considered the recommendations of the Studies and accordingly the Scheme was modified w.e.f. 2007. The Consultancy Evaluation Committee (CEC) has selected M/s. CRISIL Ltd. Mumbai, for undertaking third study on the evaluation of TUFS.

(e) & (f): There is no such proposal.