

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3168
ANSWERED ON:12.08.2010
TEXTILES SECTOR IN NER
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Will the Minister of TEXTILES be pleased to state:

- (a) whether it is a fact that the Government has not been able to implement its flagship schemes i.e. TUFS, SITP, TMC etc in North Eastern Region (NER) effectively;
- (b) if so, whether the Government has found the factors responsible for the failure of these schemes in NER and the strategy by the Government to make it more effective; and
- (c) if so, the details thereof alongwith the target fixed for NER under each of these schemes for the year 2010-11 and their actual achievement so far ?

Answer

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

(a) & (b): In spite of making special efforts and providing special concessions for the North East Region, there has not been adequate response from entrepreneurs in the region for availing benefits under the Technology Upgradation Fund Scheme (TUFS) and the Scheme for Integrated Textile Parks (SITP).

The TUF Scheme aims at incentivizing modernisation of the textile units by providing interest subsidy of 4-5 percent on loan availed from the participating banks. The scheme provides an additional option to the powerloom units to avail of 20% Margin Money subsidy in lieu of 5% interest reimbursement on investment in TUF compatible machinery. The scheme also provides 15% Margin Money subsidy for SSI textile and jute sector in lieu of 5% interest reimbursement. It also provides 5% interest reimbursement plus 10% capital subsidy for specified processing, technical textile and garmenting machineries. Until and unless the textile units in the North East avail bank credit for modernization of their units - a strategic decision to be taken by the entrepreneurs themselves - the benefits of the scheme cannot be extended to them. So far, only one unit in the North East has availed benefit under the scheme even after the Ministry of Textiles provided wide publicity to the scheme.

The Scheme for Integrated Textile Parks (SITP) aims at creating world class infrastructural facilities for setting up textile units. The scheme has been made extremely liberal for the North East by enhancing the level of government grant to 90% of the project cost (for the first two projects in the North East) as compared to 40% of the project cost for other regions subject to a limit of Rs.40.00 crore per project. In spite of such liberal assistance, the Ministry has not received any eligible proposals from the North East for setting up Textile Parks.

The TUFS and SITP schemes are being continued and the entrepreneurs from the North East can avail benefits under those schemes as per their requirement. On its part, the Ministry of Textiles is providing adequate publicity to the schemes and have also made the SITP scheme extremely liberal for the North East.

As far as Technology Mission on Cotton (TMC) is concerned, the Ministry of Textiles is implementing Mini Mission III and Mini Mission IV which relates to setting up of Market Yards and Modernisation of Ginning & Pressing (G&P) Units. As there is no substantial cotton cultivation in the North East region, expenditure could not be incurred under the TMC. The Mission stands closed w.e.f 31.03.2009.

(c): The allocations made for the North East under the above schemes for 2010-11 are given below. There has been no expenditure so far.

Sl.No.	Schemes	Allocation for NER (Rs. crore)
1.	Technology Upgradation Fund (TUFS)	132.50
2.	Scheme for Integrated Textile Parks (SITP)	50.00
3.	Cotton Technology Mission (TMC)	Nil