

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2631
ANSWERED ON:12.03.2015
LOAN BASED CAPITAL AND INTEREST COMPENSATION SCHEME
Bohara Shri Ramcharan

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government proposes to launch loan based capital and interest compensation scheme meant for textiles sector in the country;
- (b) if so, the details thereof;
- (c) whether the Government has received recommendations of the working group in this regard;
- (d) if so, the details thereof and the action taken by the Government thereon;
- (e) whether the Government also proposes to extend Technology Upgradation Fund Scheme to the textiles industry machinery sector; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF TEXTILES (SHRI SANTOSH KUMAR GANGWAR)

(a) to (f): The Ministry of Textiles is implementing Technology Upgradation Fund Scheme (TUFS) which was introduced in 1999 to catalyze investments in the subsectors of textiles and jute industry that have availed loan from the implementing lending agencies for purchase of bench marked machinery for technology upgradation of the machinery by way of 5% interest reimbursement. The scheme was initially approved from April, 1999 to March 31st 2004. Subsequently, the scheme was extended in 2004 and again in 2007 with modifications. The Scheme was suspended between 29.06.2010 and 27.04.2011. Thereafter, the Restructured TUF Scheme (RTUFS) was launched w.e.f 28.04.2011 to 31.03.2012. The Working Group for the Textiles and Jute Industry for the Twelfth Five Year Plan recommended for continuation of the TUFS in the present form until the end of the Twelfth Five Year Plan for increasing investment in the textile sector. Accordingly, the TUF scheme was again revised w.e.f 01.04.2012 and implemented as Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS).