

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:322

ANSWERED ON:31.07.2014

REVISED RESTRUCTURED TECHNOLOGY UPGRADATION FUND SCHEME

Owaisi Shri Asaduddin;Patil Shri Shivaji Adhalrao

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government has evaluated the performance of the Technology Upgradation Fund Scheme (TUFS) and if so, the achievements thereof;
- (b) whether the Government has revised and restructured the scheme, if so, the salient features thereof including the financial and operational parameters laid down and loans sanctioned under the Scheme;
- (c) whether the Government proposes to provide more funds to textile entrepreneurs under the revised scheme, if so, the details thereof including the funds allocated and utilized since 2013; and
- (d) whether the suggestions have been received to make the scheme on-line so as to ensure hassle free disbursement of subsidy under the revised scheme and if so, the steps taken in this regard?

Answer

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

(a) to (d): A statement is laid on the Table of the House.

Statement in reply to Lok Sabha Starred Question No.322 for answer on 31.07.2014 by Shri Adhalrao Patil Shivaji Rao and Shri Asaduddin Owaisi regarding Revised Restructured Technology Upgradation Fund Scheme

(a): Yes, Madam. The Scheme has been evaluated thrice in 2003, 2006 and 2010 respectively. All evaluations found the scheme beneficial for the textile industry and recommended its continuation. These evaluations have found improvement in Quality, Turn over, Productivity, Profitability, Exports etc., and a decline in cost, wastage, maintenance and labour costs etc. The Scheme was last reviewed by the Expenditure Finance Committee in March 2013 and it was recommended to continue the scheme in the 12th Five Year Plan. A subsidy of approximately Rs. 19,000 crore has been disbursed against an investment of approximately Rs. 2,60,000 crore attracted under TUFS since 1999.

(b): Yes, Madam. The scheme has been revised and restructured. The salient features of the scheme are at Annexure-I. The Revised Restructured TUFS (RR-TUFS) is implemented w.e.f. 1st April, 2012 vide Government Resolution dated 4th October 2013. So far, term loans of Rs. 7,745.35 crore have been sanctioned under RR-TUFS.

(c): An amount of Rs. 11,952 crore has been allocated under TUFS (M-TUFS, R-TUFS and RR-TUFS) in the 12th Plan period. The major focus of RR-TUFS is on modernization of powerlooms sector. In order to give emphasis on decentralized powerloom sector, Interest Reimbursement and Capital Subsidy for new shuttleless looms has been raised from 5% to 6% and 10% to 15% respectively. Further, the Margin Money Subsidy has also been increased from 20% to 30% with an increase in subsidy cap from Rs 1 crore to Rs 1.5 crore. A pilot project has also been envisaged under the powerloom sector which aims at providing subsidy for developing infrastructure, common facilities, construction of factory buildings and for shuttleless looms on Hire Purchase basis, to improve their quality and production and to face the competition from domestic market as well as export market. Capital Subsidy has been increased from 25% to 30% for Hand-loom and Silk Sector. Margin Money Subsidy cap is increased from Rs. 45 lakhs to Rs. 75 lakhs for MSME and Jute Sector. The funds allocated and utilised since 2013-14 are as follows:-

Year	Allocation	Utilisation
2013-14	1956.16	1729.98
2014-15	2300.00	438.28

(As on 30.6.14)

(d): Partial on line computerized system is in operation in the O/o Textile Commissioner for TUFS since 28.4.2011 for issuing of Unique Identification Digit (UID). The system has been improved and made more user friendly from 2013 onwards under RR-TUFS. The system enables the individual beneficiary to ascertain the status of their cases online. The online systems make the submission and process of claims easier. The strengthening of online system is on going process to make it comprehensive. An amount of Rs.

14.30 lakhs has been sanctioned for Phase-I of comprehensive development of software. Subsidy under the Scheme is released to the nodal bank/nodal agencies through Real Time Gross Settlement (RTGS)/ Electronic Clearing Service (ECS). The nodal banks/nodal agencies transfer the funds to the accounts of beneficiaries.