

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:802
ANSWERED ON:05.12.2003
TECHNOLOGY UPGRADATION FUND
YEMPARALA VENKATESWARA RAO

Will the Minister of TEXTILES be pleased to state:

(a) whether Government have extended the Technology Upgradation Fund Scheme (TUFS) that offers soft loans for modernisation of textile units by three years till March 31, 2007;

(b) if so, the details of the concessions offered to the textile sector under the above fund?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES(SHRI GINGEE N. RAMACHANDRAN)

(a) Yes Sir.

(b) Main concessions available to the textile sector under the above scheme are as follows:-

- The Scheme provides for a reimbursement of interest @ 5% point on the interest charged by the lending agency on a project of technology upgradation in conformity with the Scheme.

- With effect from 1st January, 2002 an option has also been provided to the Small Scale Textile and Jute Industries to avail of either 12% Credit Linked Capital Subsidy (CLCS) or the existing 5% interest reimbursement under the TUFS.

- For powerloom sector, with effect from 06.11.03, upfront 20% capital subsidy for powerloom and weaving preparatory machinery have been allowed by further expanding the credit network to include all cooperative banks and other genuine Non-banking Financial Companies (NBFC) recognized by the Reserve Bank of India