

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:662
ANSWERED ON:05.12.2003
MODERNISATION OF JUTE MILLS
RUPCHAND MURMU

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Union Government have planned to modernize the jute mills in the country;
- (b) if so, the details thereof;
- (c) whether the Government have increased capital subsidy for modernization of jute mills; and
- (d) if so, the details thereof ?

Answer

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

(a) Yes, Sir.

(b) Government of India has introduced the Technology Upgradation Fund Scheme (TUFS) w.e.f. 1st April 1999. Under the TUF Scheme, the textile mills including jute mills are entitled to get 5% reimbursement on the interest actually charged by the identified financial institutions on sanctioned projects for modernization of their units. In addition, the Jute Manufactures Development Council (JMDC), Kolkata, a statutory organization under the aegis of the Ministry of Textiles is executing a scheme w.e.f. 8th July, 2002 to modernize the jute mills in the country namely 'the JMDC Incentive Scheme for Modernisation of Jute Industry'. The scheme provides for extending incentive @15% on any investment for procurement of machinery by any cess paying jute unit towards modernization/upgradation of the jute mill. However, the jute mills are allowed to avail only one of the benefits either under the JMDC Scheme or under the TUF Scheme.

(c) Yes, Sir.

(d) With effect from 19th September, 2003, the subsidy under 'the JMDC Incentive Scheme for Modernisation of Jute Industry' has been increased to 20% for establishment of new modern jute mills in new locations pertaining to jute growing areas having inadequate jute processing facilities, after payment of cess for at least 3 months.