

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:2415  
ANSWERED ON:23.07.2004  
PROBLEMS OF JUTE INDUSTRY  
Das Gupta Shri Gurudas

**Will the Minister of TEXTILES be pleased to state:**

- (a) whether National Jute Manufacturing Corporation is facing crisis;
- (b) if so, the details thereof;
- (c) whether the workers, staff officers of this corporation are not being paid their due salaries / wages for past several months;
- (d) if so, the reasons therefor;
- (e) whether the employees are also not receiving statutory pension benefits; and
- (f) if so, the steps taken / proposed to be taken by the government?

**Answer**

MINISTER OF TEXTILES ( SHRI SHANKERSINH VAGHELA )

(a) & (b) The National Jute Manufactures Corporation (NJMC) Ltd is a sick Public Sector Undertaking, which stands referred to the BIFR since 1992. This Corporation is incurring persistent losses from the very year of nationalisation in 1980. It has accumulated losses to the tune of Rs. 3973 crores upto 31.3.2004 against the Paid up capital of Rs. 55.79 crores. The networth of the Corporation has turned negative to the tune of Rs. 3917 crores, eroding its paid up capital by several times. The BIFR vide its order dated 8.7.2004 has ordered winding up of the company.

(c) & (d) All the units of the Corporation have ceased production since periods ranging from six months to 2 1/2 years. It is unable to generate enough funds to meet its requirement of salary, wages and essential maintenance expenses. The Central Government is providing non-plan assistance to the Corporation to meet its requirements of salary & wages. During the current financial year so far, non-plan loan of Rs. 24.71 crore has been released to this Corporation to pay salary & wages and some essential administrative expenses.

(e) Its true that the NJMC is unable to pay the pensionary benefits to its employees in time. The Central Government had released Rs. 28.71 crores during the financial year 2002-03 towards clearing its outstanding dues regarding payment of gratuity retired employees.

(f) The Dept., of Public Enterprises (DPE) has got the approval of the Central Government to provide financial assistance to sick Public Sector Undertakings including the NJMC for clearing the statutory liabilities of PF & ESI of workers. The matter has been taken up with the Ministry of Finance for providing the necessary assistance in this regard.