

(ii) The Reserve Bank of India have issued guidelines to the banks for strengthening the monitoring systems and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time.

(iii) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of potentially viable units. The banks and financial institutions evolve rehabilitation packages for the revival of sick units.

(iv) Reserve Bank of India have also issued guidelines separately to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of potentially viable sick units without reference to RBI both in the large and small scale sector.

(v) Government of India introduced a Margin Money Scheme with a view to supplementing the efforts of the State Governments in reducing the incidence of sickness in the small scale sector. Under the liberalised scheme the maximum amount of assistance per unit available to sick small scale units for rehabilitation has been increased from Rs. 20,000/- to Rs. 50,000/-.

(vi) An Excise Relief Scheme for weak units has also been announced. The scheme would apply to any unit in which 50% or more of the maximum net worth in any of the previous five accounting years has been eroded by accumulated losses. The unit should have a rehabilitation, modernisation or diversification package approved by a designated financial institution. The eligible unit would be entitled to an interest free loan, with a grace period of 3 years and repayable over

seven years, amounting to 50% of its actual excise payments for three years subsequent to the approval of the scheme. The total amount given by way of such 'Excise Loans' will not exceed 25% of the overall cost of rehabilitation/modernisation/diversification.

(vii) A Small Industries Development Bank of India (SIDBI) has been established in April, 1990 to function as an Apex Bank for tiny and small scale industries. The paid up capital of this bank is Rs. 250 crores.

SIDBI has been organising rehabilitation meets in different States to help Primary Lending Institutions (PLIs) and promoters in drawing up mutually acceptable rehabilitation packages for potentially viable sick SSI units. During 1990-91, 23 meets were organised at 14 centres where cases of over 250 units were discussed. The response from the PLIs and borrowers to such meets has been encouraging.

A separate Refinance Scheme for Rehabilitation (RSR) is being operated by SIDBI for revival of potentially viable sick units.

[Translation]

Sick Industrial Units

3019. SHRI BHUVNESHWAR PRASAD MEHTA : Will the PRIME MINISTER be pleased to state :

(a) the loss suffered by the Government on account of sick industries each year :

(b) the steps proposed to be taken by the Government to deal with the closed and sick units :

(c) whether the Government propose to hand over these industrial

units to capitalists : and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P. J. KURIAN) : (a) Data on sick industrial units in the country assisted by the banks are collected by the Reserve Bank of India. As per the RBI report, a total of Rs. 5,528.30 crore was the outstanding bank credit against the sick industrial units as at the end of December, 1988 (latest available).

(b) The Government has already taken a number of steps for the revival of sick industrial units. These are given in the attached statement.

(c) and (d) Board for Industrial and Financial Reconstruction (BIFR) has been set up to deal with the problems of sick industrial companies. For evolving a sound rehabilitation package, BIFR considers all viable alternatives including the merger/amalgamation of such sick units with other companies.

STATEMENT

Steps taken by the Government of India for the Revival of Sick Industrial Units

(i) The Government have enacted a comprehensive legislation namely, 'The Sick Industrial Companies (Special Provisions) Act, 1985'. A quasi-judicial body designated as 'The Board for Industrial and Financial Reconstruction (BIFR)' has been set up under the Act to deal with the problems of sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.

(ii) The Reserve Bank of India have issued guidelines to the banks for strengthening the monitoring systems

and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time.

(iii) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of potentially viable units. The banks and financial institutions evolve rehabilitation packages for the revival of sick units.

(iv) Reserve Bank of India have also issued guidelines separately to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of potentially viable sick units without reference to RBI both in the large and small scale sector.

(v) Government of India introduced a Margin Money Scheme with a view to supplementing the efforts of the State Governments in reducing the incidence of sickness in the small scale sector. Under the liberalised scheme the maximum amount of assistance per unit available to sick small scale units for rehabilitation has been increased from Rs. 20,000/- to Rs. 50,000/-.

(vi) An Excise Relief Scheme for weak units has also been announced. The scheme would apply to any unit in which 50% or more of the maximum net worth in any of the previous five accounting years has been eroded by accumulated losses. The unit should have a rehabilitation, modernisation or diversification package approved by a designated financial institution. The eligible unit would be entitled to an interest free loan, with a grace period of 3 years and repayable over seven years, amounting to 50% of its actual excise payments for three years subsequent to the approval of the scheme. The total amount given by

way of such 'Excise Loans' will not exceed 25% of the overall cost of rehabilitation/modernisation/diversification.

(vii) A Small Industries Development Bank of India (SIDBI) has been established in April, 1990 to function as an Apex Bank for tiny and small scale industries. The paid up capital of this bank is Rs. 250 crores.

SIDBI has been organising rehabilitation meets in different States to help primary lending institutions (PLIs) and promoters in drawing up mutually acceptable rehabilitation packages for potentially viable sick SSI units. During 1990-91, 23 meets were organised at 14 centres where cases of over 250 units were discussed. The response from the PLIs and borrowers to such meets has been encouraging.

A separate Refinance Scheme for Rehabilitation (RSR) is being operated by SIDBI for revival of potentially viable sick units.

[English]

Families Living Below Poverty Line

3020. SHRI BHAGEY GOBARDHAN : Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state :

(a) the number of families in rural areas who are living below the poverty line at present, State/Union Territory-wise ;

(b) the steps taken or proposed for the improvement of their "quality of life" ; and

(c) the time by which the number of families living below the poverty line will be brought down to zero. State/Union Territory-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI H. R. BHARDWAJ) :

(a) Based on the provisional results of 43rd round of National Sample Survey on household consumer expenditure, the number of families in rural areas below the poverty line in 1987-88 is indicated in the attached statement for the States and Union Territories.

(b) A number of programmes are being implemented in order to improve the quality of life of the poor households. These include programmes for raising incomes and generating employment, such as Integrated Rural Development Programme (IRDP) and Jawahar Rozgar Yojana (JRY). At the same time, Minimum Needs Programme (MNP) is being implemented which covers components like elementary education, adult education, rural health, rural water supply, rural roads, rural electrification, rural housing, nutrition, rural domestic cooking energy, rural sanitation and public distribution system.

(c) the Seventh Five Year Plan had stipulated that poverty would be virtually eliminated, i.e., the percentage of people below the poverty line would be brought down to a level of 5 per cent by the year 2000. Such targets were not stated State/Union Territory-wise.