

[English]

### Problems of Small Scale Industries

1384. SHRI CHANDULAL CHADRAKAR: Will the PRIME MINISTER be pleased to state:

(a) whether the Committee constituted by the Reserve Bank of India has highlighted the problems of sickness of small scale industries;

(b) if so, the recommendations made by the Committee.

(c) the action taken by the Government on these recommendations.

(d) whether the Government have worked out any strategy to give thrust to small scale industries and agro-based industries in view of their vast potential for employment; if so, the details thereof; and

(e) whether the Government also contemplating a new credit policy for small scale industries to ensure promote payment to small units and if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES): (SHRI M. ARUNACHALAM): (a) Yes, Sir.

(b) The Committee has recommended a modified definition of a sick SSI unit, there under a unit may be classified as 'Sick' when any of its borrowal accounts remains overdue for a period exceeding 2 1/2 years and there is erosion in the net worth due to accumulated cash losses to the extent of 50% or more of its peak net worth during the preceding two accounting years. Creation of cells within the banks at regional centers to deal with sick small scale industries units, constitution of State Level Tribunals, under a Central Legislation, on the lines of BIFR, changes in the State Level Inter-Institutional committee (SLICs) and a role for a district counterpart of SLIC in monitoring and assessing the banks progress in the quick

determination of viability of sick units are the other major modifications recommended.

(c) The recommendations made by the Committee are being examined by RBI:

(d) Strategy to give thrust to small scale industries including Agro-based industries have been outlined in the policy measures announced by the Government on 6.8.91. The policy measures which have been implemented relate to enhancement in the investment limit of plant and machinery in respect of tiny units from Rs. 2 lakhs to Rs. 5 lakhs, inclusion of business and industry related services as tiny units, modification in definition of women enterprises, simplification of rules and procedures regarding registration, disbanding of certain committees which existed earlier, issuance of Ordinance entitled "The interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings, Ordinance, 1992, Equity participation by other Industrial Undertakings in SSI units upto 24%. The policy measures which are under formulation relate to package for tiny sector, Integrated Infrastructural Development Scheme for small scale units in rural and backward areas, creation of Modernisation Fund for small scale industries, Limited Partnership Act, etc.

(e) RBI Committee has recommended timely decisions on credit proposals by eliminating delays inherent in the consideration of proposals by successive tiers in the hierarchy. A Committee aproach in which decisions are taken by the competent authority after a structured discussion with the branch manager and also the intervening levels, has been proposed. The recommendation of the Committee are under active consideration of RBI.

### New Industries in Bihar

1385. SHRI RAMSHRAY PRASAD SINGH: Will the PRIME MINISTER be pleased to state:

(a) the number of new industries registered in Bihar after the announcement of New Industrial Policy;