

### State of Orissa.

The major reasons of industrial sickness as reported by bank relate to internal factors comprising shortcomings in project management and project appraisal areas. The other main reasons reported by banks relate to external factors like, non-availability of raw materials, power shortage, financial bottlenecks, increase in overhead cost, fall in demand/recession, etc.

(c) Government has already taken steps for revival of sick industrial units. Some of the important steps are given in the statement enclosed.

#### Statement

##### *Steps taken by Government for revival of sick industrial units*

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 the sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.

(2) 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.

(3) 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.

(4) 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.

(5) Revival of sick industrial units is also done by amalgamation/merger of sick units with healthy units. Tax benefits are given under Section 72(A) of the Income Tax Act, 1961 to the healthy company for revival of the amalgamating sick unit.

(6) Government has set up the National Renewal Fund which would, inter-alia, provide for payment of compensation to workers affected by industrial restructuring

(7) On the advice of the Government of India, Reserve Bank of India has set up State Level Inter-Institutional Committees (SLICs) in all States under the Chairmanship of Secretary, Industries Department of the concerned State Governments for working out a rehabilitation package for revival of viable sick small scale units.

(8) Financial assistance in the form of long term equity type assistance upto Rs. 1,50,000/- to units with a project cost not exceeding Rs. 10 lakhs at a nominal service charge of one per cent per annum is also available to potentially viable sick small scale industrial units from the

National Equity Fund set up in August, 1987.

(9) Small Industries Development Bank of India (SIDBI) has been established to function as an Apex Bank for tiny and small scale industries.

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

#### Fire at R.C.F. Plant, Mumbai

##### 15. SHRI RAM NAIK:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the nature and extent of damage due to fire which broke out in the Rashtriya Chemicals and Fertilizers Limited plant at Mumbai during November, 1994;

(b) the reasons therefor; and

(c) the steps taken/proposed to ensure non-recurrence of such incidents in future?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE DEPARTMENT OF ELECTRONICS AND DEPARTMENT OF OCEAN DEVELOPMENT (SHRI EDUARDO FALEIRO): (a) and (b) : The fire which broke out in Trombay plant of Rashtriya Chemicals and Fertilizers Limited (RCF) in November, 1994, caused damage to the wooden framework, the fanhood and electrical cables on the top deck of the cooling tower. The extent of loss caused by this fire has been estimated at about Rs. 25 lakhs. The fire was caused due to leakage of high pressure gas from the heat exchanger located close to the cooling tower.

(c) RCF has taken the following steps to ensure non-recurrence of such incidents in future:

(i) Provision of full bore vent of cooling water return line on the top of cooling tower; and

(ii) Installation of lightening arrestor on the top of the cooling tower.

[Translation]

#### National Security Council

##### 16. SHRI MRUTYUNJAYA NAYAK:

Will the PRIME MINISTER be pleased to state:

(a) whether the Government have since examined the question of reconstitution of the National Security Council;

(b) if so, the details thereof; and

(c) if not, the reasons therefor and the time by which it is likely to be done?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI MALLIKARJUN) : (a) to (c) : The question of restructuring the National Security Council is under consideration of the Government.