

[Translation]

**Closed industries in Bihar**

3017. SHRI RAM TAHAL CHOUDHARY: Will the PRIME MINISTER be pleased to state :

(a) the names of large, medium and small scale industries closed down in Bihar during the last three years :

(b) the extent of capital invested by financial institutions and private persons in the said industries: and

(c) the steps proposed to be taken to get these industries opened ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P. J. KURIEN): (a) to (c) Data on sick industrial units in the country assisted by the banks in compiled by the Reserve Bank of India. As per the latest data available, there were 33 sick Non-SSI and 15,670 SSI sick units in Bihar, as at the end of December, 1988. The amount outstanding against them as on 31.12.1988 was Rs. 88.02 crores and 87.31 crores, respectively. For revival of sick industrial units Government have taken a number of steps as indicated in the enclosed statement.

**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]*

### **Reopening of Closed Mills in West Bengal**

3018. SHRI INDRAJIT GUPTA : Will the PRIME MINISTER be pleased to state :

(a) whether the Government of West Bengal have approached the Union Government to review the cases of re-opening of some of the closed industries in which huge investments are locked up ;

(b) whether some proposals have also been received from NRIs in the

matter of re-opening these industries ; and

(c) if so, the facts thereof and details of industries which are lying closed for want of funds and proper management ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P. J. KURIAN) : (a) From time to time, the West Bengal Government has been approaching the Central Government for revival/rehabilitation of sick industrial units in the State.

(b) No proposal has been received from NRIs for re-opening of sick units in the State.

(c) In accordance with the practices and usages customary among Bankers as also in conformity with the provisions of the statutes governing nationalised banks, it will not be possible to divulge the names and details of the sick units assisted by banks. However, for revival and rehabilitation of the sick units, the Government of India have a uniform policy. Some of the steps taken for revival are in the attached statement.

### **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.