

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:7858

ANSWERED ON:17.05.2002

CLOSURE OF PAPER MILLS

ASHOK NAMDEORAO MOHOL;AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

e:

- (a) the number of paper mills closed down in the country during last three years, State-wise;
- (b) whether the Government have a proposal to revive some of these paper mills particularly in Orissa and Maharashtra ; (
- (c) if so, the details thereof ;
- (d) whether the Orient Paper Mills, Brajraj Nagar in Orissa is also proposed to be revived ; and
- (e) if so, the steps taken so far in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) The data regarding the number of paper mills closed down in the country is not centrally maintained. However, during the period from 1.1.1999 to 28.2.2002, cases of 64 sick paper mills were registered with the Board for Industrial and Financial Reconstruction under section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985. State-wise number of sick paper mills is at Annexure.

(b) to (e) Under the existing policy on industrial sickness, the Board for Industrial and Financial Reconstruction (BIFR), a quasi-judicial body, deals with the problem of sick industrial companies. Revival of sick industrial units is also undertaken by amalgamation/merger of sick units with healthy units and this is encouraged by granting income tax concession, etc. to healthy units, which undertake such amalgamation. The Reserve Bank of India has also issued guidelines to banks and financial institutions for strengthening the monitoring systems and arresting industrial sickness at the incipient stage. During the last three years no sick paper mills in the State of Orissa including the Orient Paper Mills, Brajraj Nagar was registered with BIFR. However, cases of 12 sick paper mills in the State of Maharashtra were registered. Out of these one case has been dismissed as non maintainable and cases of 11 paper mills are under enquiry by the Board. Government has ,however, no proposal under consideration for the revival of sick paper industries.

Annexure

STATEMENT REFERRED TO IN REPLY TO PART (a) OF LOK SABHA UNSTARRED QUESTION NO. 7858 FOR ANSWER 17.5.2002.

S.No. Name of the state No. of Sick Paper Mills

- | | | |
|----|----------------|----|
| 1. | Andhra Pradesh | 3 |
| 2. | Bihar | 1 |
| 3. | Chattisgarh | 1 |
| 4. | Gujarat | 7 |
| 5. | Kerala | 2 |
| 6. | Karnataka | 2 |
| 7. | Madhya Pradesh | 2 |
| 8. | Maharashtra | 12 |
| 9. | NCT Delhi | 8 |

10. Punjab 5
11. Tamil Nadu 5
12. Uttar Pradesh 12
13. West Bengal 4

Total

64