

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:2183
ANSWERED ON:05.08.2003
CLOSURE OF INDUSTRIAL UNITS IN UTTARANCHAL
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Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a) whether it is a fact that around 11,000 industrial units have shut down in Uttaranchal according to a survey conducted early in 2003, by the Government;
- (b) if so, the details thereof;
- (c) the reasons for the closure of these units;
- (d) whether the Union Government have taken any steps/provided assistance to facilitate rehabilitation and restructuring of these units;
- (e) if so, the details thereof; and
- (f) if not, the reasons for the same?

Answer

MINISTER OF STATE FOR SMALL SCALE INDUSTRIES AND DEVELOPMENT OF NORTH-EASTERN REGION (SHRI SKDAR)

(a) to (c): The Third all India Census of Small Scale Industries was conducted during 2002-03. As reported by the Government of Uttaranchal, out of 27414 SSI units registered upto 31.3.2001, 12045 units were found to be closed/ untraceable in the State. The major reasons for closure of the units are :-

- i) inadequate access to credit availability
- ii) problem of marketing of the products
- iii) increase in overhead costs
- iv) mismanagement and internal reasons
- v) shifting of the units after the period of incentives provided by the Government became over.

(d) to (f): Measures exist for rehabilitation of potentially viable sick units and not for closed units. Some specific measures for tackling sickness are as under :-

- i) The Reserve Bank of India (RBI) has issued detailed revised guidelines to banks on 16th January, 2002 for detection of sickness at an early stage and taking remedial measures for rehabilitation of sick SSI units identified as potentially viable. The revised guidelines include criteria for identifying sick units as per revised definition. Elaborate guidelines have been issued for extending rehabilitation assistance to eligible units.
- ii) Setting up of Institutional mechanisms in the form of State-level Inter-Institutional Committees (SLIICs) for timely identification and rehabilitation of potentially viable units.
- iii) Special rehabilitation cells exist in the banks and the State financial institutions.
- iv) A One-time Settlement formula (Samadhan Scheme) upto loan of Rs. 5 crore was announced by RBI on July 27, 2000 for one-time settlement of dues.
- v) RBI had announced another One-time Settlement scheme upto Rs. 10 crore on 29th January, 2003.