

(a) whether the Government propose to convert existing Small Scale Industries into private limited companies in order to lend them transparency in their operation;

(b) if so, the details thereof;

(c) whether sickness in the SSIs is increasing year after year due to non-availability of timely bank credit; and

(d) if so, the details thereof and steps proposed to be taken by the Government in this regard?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) The small scale industries are set up in the Private Sector as Proprietorship or Partnership or Private Ltd. or limited company. According to the Second All India Census of small industries held for the year 1987-88, 80.48% of small industries were functioning as Proprietary concern, 16.84% Industries were functioning as Partnership concern and 2.01% Industries were found as limited/Private Ltd. Companies. Setting up of small industries as limited/private limited companies no doubt provides legal status to any enterprise and helps them in having better access to institutional credit and negotiating in the world market. Government, however, does not regulate the mode of operation of small industries. Selecting the mode of operation is purely an entrepreneurial decision in private sector.

(c) and (d) No, Sir. The number of sick units have decreased from 2,68,815 at the end of March, 1995 to 2,35,032 at the end of March, 1997. To tackle the problem of sickness, a number of follow-up actions have been taken on Nayak Committee recommendations like:

- (i) Definition of sick SSI Units modified.
- (ii) Reduced rate of interest for rehabilitation.
- (iii) Prompt viability studies/nursing programmes for identified sick units.
- (iv) At important regional Centres and Head Office, to deal with the sick industrial units, separate cells with expert staff created.

In addition, there are State Level Inter-Institutional Committees to review the position and for revival of sick units at state level.

Overseas Investment Proposals

2564. SHRI TATHAGATA SATPATHY : Will the Minister of FINANCE be pleased to state:

(a) the number of proposals approved by the Reserve Bank of India for overseas investment upto the end of March, 1998:

(b) the details of those proposals;

(c) whether the Government have made any review on the implementation of the overseas investment proposals during 1995-96, 1996-97 and 1997-98; and

(d) if so, the result thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) 542 proposals were approved by RBI upto the end of March, 1998. These proposals comprise of 390 fresh proposals and 152 existing cases and involve total equity and loan of US\$ 766.28 M. and issue of corporate/bank guarantee to/on behalf of the overseas Joint Ventures/Wholly Owned Subsidiaries to the extent of US\$298.63 m.

(c) and (d) The outflows on account of the investment in overseas projects is kept under regular review. Actual outflows during 1996-97 and 1997-98 were about US\$ 214 m. and US\$ 121 m. respectively.

[Translation]

Work Orders of HEC

2565. SHRI RAM TAHAL CHAUDHARY : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Heavy Engineering Corporation Limited has not completed in time the work orders received from various departments;

(b) if so, the reasons therefor; and

(c) the steps proposed to be taken by the Government in this regard and the action taken against the erring officials?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL) : (a) to (c) Yes, Sir. There has been some delay primarily due to resource constraints. A revival plan envisaging infusion of plan (equity)/non-plan funds has been sanctioned by the BIFR and approved by the Government. In addition to this, Counter Guarantees by Government amounting to Rs. 253 crores have also been extended for credit facilities from the Bank. Due to these measures there has been improvement in timely completion of work orders in the last two years.

[English]

Prices of Tea and Coffee

2566. SHRI MOHAN RAWALE : Will the Minister of COMMERCE be pleased to state:

(a) whether there is a steep hike in the prices of tea and coffee during the last one year;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken by the Government to check the prices of tea and coffee?