

**Deployment of Funds by Banks in Sick Industrial Undertakings**

\*854. SHRI B.V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether the deployment of funds in sick industrial undertakings by banks has crossed the Rs. 2,000 crore mark as on June 30, 1982;

(b) if so, whether 459 units were large—individually enjoying bank credit limits of Rs. 1 crore;

(c) if so, the other units which have taken loan and have not repaid the same;

(d) how many of them are small and how many are large-scale units;

(e) to what extent Government have enquired into the genuine sickness of these units; and

(f) the steps being taken to recover the loans from the sick units ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) As at the end of June, 1982, there were 28,428 sick industrial units in the assistance portfolio of Scheduled Commercial Banks with outstanding bank credit of Rs. 2298.76 crores.

(b) to (d) Out of 28,428 sick units, 435 units were large units (each enjoying bank credit limits of Rs. 1 crore and above), 1,020 were medium units and 26,973 were small scale sick industrial units.

(e) and (f) According to the definition prescribed by Reserve Bank of India, a unit is classified as sick if it incurs cash losses for one year and in the judgement of the financing bank, is likely to incur cash losses for the current year as well as the following year and which has an imbalance in its financial structure, such as current ratio of less than 1 : 1 and worsening debt-equity ratio. All the 28,428 industrial units reported sick as at the end of June, 1982 conform to the Reserve Bank

of India's definition of sickness and hence can be considered to be genuinely sick.

It is the policy of Government that the banks should indentify sickness in an industrial unit at the incipient stage itself, carry out viability studies and nurse such units as are considered potentially viable. Accordingly, the banks formulate a package of rehabilitation in the case of viable sick units, taking into account the factors responsible for sickness, with a view to enable the units to repay their dues. In the case of non-viable sick units, bank may resort to recall of advances, enforcement of securities and legal remedies for recovering the amounts due to them.

**Procurement of Iron-Ore**

\*855. SHRI RATANSINH RAJDA : Will the Minister of COMMERCE be pleased to lay a statement showing :

(a) grade-wise Iron-Ore procured from Goan Mine owners with individual value during the year 1979-80, 1980-81, 1981-82 and 1982-83;

(b) grade-wise Iron-Ore quantity procured during the above period in Goa from parties other than Mine Owners; and

(c) dates on which foreign contract was concluded for the above quantities and letter of intent/contact issued to the above parties for procurement with quantity and actual quantity procured from the parties during the above period ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P.A. SANGMA) : (a) Gradewise iron ore procured by MMTC from Goan Mine Owners with individual values during the year 1979-80 to 1982-83 is shown in the statement laid on the Table of the House.

(b) In Goa, entire iron ore is being procured by MMTC directly from mine owners only.

(c) It is not in the commercial interest of MMTC to disclose details regarding sale contracts and sources of purchase.