

manufacture and the other is for fuel which is needed for power generation by the Tatas and the Electricity Board.

I would like to ask the Minister. The State Electricity Board and the Tatas have already installed power generators and if you do not give the gas to them, what will happen to them? The second point is that in the city of Bombay where the textile mills are using oil-fired devices, it was agreed by ONGC earlier to give gas for domestic fuel of Bombay city. Now, if this gas is given for domestic use in the city of Bombay the pollution will whither away. I would like to know whether that commitment of ONGC for the liquid gas supply for domestic use in Bombay will stand?

SHRI NAWAL KISHORE SHARMA: With regard to the commitment and the question of supply of gas to Tatas and Maharashtra State Electricity Board, as I have stated earlier the commitment is to the extent of gas available after meeting the requirements of the priority sector, namely, the fertiliser units. Whatever gas is available on fall-back basis that is being supplied to the State Electricity Board and the Tata Electricity Company and that commitment of ours still holds good. With regard to the supply of gas to Bombay city, if the hon. Member means the LPG then that is being supplied on the quantum which is made available to us.

SHRI MURLI DEORA: Sir, I am not talking of the cylinder gas supply. I am talking of the domestic pipe gas and that too especially for textile mills.

SHRI NAWAL KISHORE SHARMA: That question has not been considered as yet.

Increase in sick industrial units

*208. **SHRI CHINTAMANI JENA:**
SHRI K. RAMAMURTHY:

Will the Minister of **INDUSTRY AND COMPANY AFFAIRS** be pleased to state:

(a) whether it is a fact that the number of sick industrial units is increa-

sing year after year and if so, what is the number of such industrial units in the country as on 31st March, 1985 and the number of such units in Orissa; and

(b) the action being taken to revive the existing sick units?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL): (a) and (b). A statement is given below.

Statement

(a) and (b). Data on sick industrial units are collected by the Reserve Bank of India as per the definition of sickness adopted by it. The number of sick units for the period 1981-June 1984 is indicated below:

<i>Year ending</i>	<i>No. of sick units</i>
December, 1981	26,758
December, 1982	60,173
December, 1983	80,110
June, 1984	83,597

The sharp increase in the year ending 1982 is due to the fact that the State Bank of India has included Small Scale Units in protested bills/recalled accounts in its list of sick units, which were not included in the data furnished earlier. Although the number of sick industrial units has been increasing from year to year, in real terms, the incidence of sickness expressed as percentage of loans to outstanding credit has been constant around 8% over last three years.

There were only 4 large sick units in the State of Orissa as on 30th June, 1984 and 2,135 sick small scale units as on December, 1983. The data in respect of small scale units for the period ending 30th June, 1984 are not available with the Reserve Bank of India.

Government have issued certain policy guidelines for guidance of Central Ministries, State Governments and

Financial Institutions in October, 1981 for the revival/rehabilitation of potentially viable units. The salient features of these guidelines were furnished in reply to Lok Sabha Unstarred Question No. 204, on 23.1.1985. In cases where sick units are taken over as a part of rehabilitation schemes prepared by banks and financial institutions, various reliefs and forms of assistance such as reconstruction of capital, funding of interest liabilities, capital and working capital loans on softer terms, relief or rescheduling of debt service liabilities, etc. are provided for in such rehabilitation schemes. The Central Government and State Governments also provide various fiscal and other reliefs as a part of rehabilitation packages formulated by banks and financial institutions, for individual sick units. In addition, healthy units are encouraged through Income Tax relief to take over sick units by way of amalgamation.

SHRI CHINTAMANI JENA : Sir, I wanted to know the number of sick industrial units upto 31st March, 1985. The hon. Minister has given the figure upto June 1984. From the statement it is seen that in December 1983 the number of sick units was 80,110 and in June 1984 the figure went up to 83,597. So in these six months the figure has gone up by 3,400 units. Similarly, during the period December, 1982 and December, 1983 the number of such sick units has increased by 20,000. May I also know whether it is a fact that the rate of interest on loans provided to these industrial units in our country is 17% whereas in foreign countries it is only 6 to 10%. If so, whether that is one of the main reasons for the increase in the number of sick units in our country? What steps have the Government taken to overcome these difficulties?

SHRI VEERENDRA PATIL : Sir, the hon. Member wanted to know why the latest figures upto 31st March, 1985 have not been given. The latest figures that are available with us have been furnished to the House. When we get the latest figure upto 31st March, 1985 we will supply the same to the hon. Member and the House.

The hon. Member wanted to know what steps are being taken to rehabilitate the sick industrial units. It is true that the number of sick industrial units is going up. As I have already made it clear in the statement itself the Reserve Bank and different banks have taken several steps in order to see that industrial units do not become sick. They have got a cell. Sir, I have got the information. Government is thinking of constituting a Board for the industrial and financial reconstruction. The hon. Finance Minister has already announced about this. This Board is going to be set up for industrial and financial reconstruction and to a great extent, it would help in reviving, in rehabilitating the sick units. In addition to that, a Cell has been created in the Reserve Bank of India in order to monitor and also similar such committees have been constituted in the regional offices. Such committees have also been constituted in different banks to monitor the functioning of the units and take corrective steps in order to see that the units do not become sick. Several concessions have also been given to these sick industries in order to rehabilitate them. wherever the Government feel that the sick units which have become very sick, can be revived, efforts will be made to revive them. In fact, steps have already been taken and further efforts are being taken.

SHRI CHINTAMANI JENA : Mr. Speaker, Sir, I put my supplementary regarding the rate of interest on loan given to the industrial units in our country. It is 17% whereas in foreign countries, it is 6 to 10%. May I know from the hon. Minister what steps have been taken by the Government to bring down the rate of interest to these industrial units. May I know whether the Government is implementing the recommendations of Mathai Committee as also the recommendations of the Tandon Committee and if so, how many of those recommendations have been implemented and the result thereof?

SHRI VEERENDRA PATIL : I have given the figures for sick units and the hon. Member wanted to know the

amount outstanding. The amount outstanding as on June 1984, was Rs. 3275 crores. The hon. Member also wanted to know particulars regarding the individual sick unit and what steps are taken by the Government to rehabilitate them. When the number is running into 80,000, I am not in a position to explain about the individual cases. Let him put individual question, I will answer it.

DR. KRUPASINDHU BHOI : Sir, he has asked particulars for Orissa and West Bengal.

MR. SPEAKER : It is impossible for him to give specific answers. But for any specific question you put, you will get specific answer. But don't put questions like this.

SHRI K. RAMAMURTHY : Mr. Speaker, Sir, this is a very important question. All sections of this House are interested to put supplementaries on this question. Therefore, I would like to suggest that this can be considered for half-hour discussion. Further, Sir, it has been stated in the Statement that the Government have issued certain policy guidelines for guidance of Central Ministries, State Governments and Financial Institutions in October, 1981 for the revival/rehabilitation of potentially viable units. Sir, if you see the statistics, you will find that year after year it has increased. So, the guidelines have become useless. I would therefore like to know from the hon. Minister whether the Government is going to take effective action against these units because 99% of these sick units are man-made sickness. In this regard, the hon. Finance Minister has also pointed out that bad employer is bad currency. Therefore, I would like to know what action the Government proposes to take in this connection, especially reviving the really sick units. Thousands of employees are put out of job on account of closure of sick units. I would request for half-an-hour discussion on this.

SHRI VEERENDRA PATIL : I have already said that guidelines have been issued to different financial institutions and the banks, and the banks have taken several steps, and the Government

of India is very actively considering constitution of the Board of Industrial and Financial Reconstruction and the amendment of the Income Tax Act in order to enable the healthy units to take over the sick units. Several fiscal concessions have also been given.

If the hon. Member wants to discuss it in detail, I have no objection to half-an-hour discussion.

WRITTEN ANSWERS TO QUESTION

[English]

Foreign Exchange allocation under technical development fund scheme

*207. **SHRI B. V. DESAI** : Will the Minister of **INDUSTRY AND COMPANY AFFAIRS** be pleased to state :

(a) whether Union Government have raised ceiling for foreign exchange allocation under the Technical Development Fund scheme for modernisation of industry from Rs. 50 lakhs to Rs. 1 crore;

(b) whether Government have also modified the scheme to some extent whereby the industry will be in a position to enter into foreign collaborations or imports of drawings and designs as also capital goods imports beyond the ceiling of Rs. 1 crore; and

(c) to what extent this decision of Government will help in the modernisation of industry ?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL) : (a) Yes, Sir. The ceiling limit has been raised from US \$ 5 lakhs to Rs. 1 crore per annum per unit.

(b) No, Sir. The original scheme itself provides that in case the outgo of foreign exchange marginally exceeds the ceiling limit, excess amount is adjusted against the entitlement of the company in the subsequent year.