

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

UNSTARRED QUESTION NO:4033
ANSWERED ON:23.03.2001
REVIVAL OF SICK PAPER INDUSTRIES
GADDE RAMAMOCHAN

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

e:

(a) whether the Union Government propose to lay special emphasis on revival of sick paper industries in the country in the light of increased global and domestic demand for paper and related paper products;

(b) whether the Union Government have provided necessary data about the global demand for paper products to paper industries to enable them to produce this value added products to help the growth of industry as well as improve the foreign exchange earnings;

(c) whether the Government have studied the need for modernisation of paper manufacturing units to the global standards; and

(d) if so, the action plan prepared by the Government in this direction ?

Answer

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

(a) : 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. Government has, however, no proposal under consideration to lay special emphasis on the revival of sick paper industries.

(b) : No, Sir.

(c) & (d) : No, Sir. However, Government has received a representation from a Paper Mills Association for creation of Technology/Modernisation Fund to help the paper industry. Government has not taken any decision so far.