

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

UNSTARRED QUESTION NO:1257
ANSWERED ON:29.07.2003
REVIVAL OF SICK SSI UNITS IN MAHARASHTRA
ASHOK NAMDEORAO MOHOL

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a) whether it is a fact that the Government of Maharashtra has requested the Union Government for revival of viable SSI sick units in the State which were closed down after the economy slow down;
- (b) if so, the details thereof;
- (c) the steps taken by the Union Government to revive the viable SSI sick units; and
- (d) the relief package given by the Government to these sick units during the last three years, year-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF AGRICULTURE AND RURAL INDUSTRIES (SHRI SANDESH KUMAR GAUTAM)

(a): No, Sir.

(b): Does not arise.

(c): The Government is fully seized of the problem of industrial sickness amongst the SSI units and has taken various measures to facilitate timely identification and rehabilitation of potentially viable sick industries including institutional mechanism in the form of State-level Inter-Institutional Committees, special rehabilitation cells in banks and State Financial Institutions. Elaborate guidelines have been issued by the Reserve Bank of India for extending rehabilitation assistance to eligible units. Further, based on the recommendations of the Working Group set up under the Chairmanship of Shri S. S. Kohli, the RBI has drawn up revised guidelines for rehabilitation of sick SSI units, which include inter-alia change in the definition of sick SSI units, norms for deciding on their viability, concessional finance, etc. The RBI has circulated the revised guidelines on 16th January, 2002 to all the Scheduled Commercial banks for implementation.

(d): The Union Government does not provide financial assistance to the States/UTs for rehabilitation of sick Small Scale Industries (SSIs). Financial assistance to SSIs including for the rehabilitation of sick SSIs, is provided by the Primary Lending Institutions (PLIs) including the Commercial Banks. The Small Industries Development Bank of India (SIDBI) has, however, a exclusive Refinance Scheme for the PLIs in respect of financial assistance extended by them for rehabilitation of sick SSI units, in addition to covering these units under Refinance Schemes like Single Window Scheme, National Equity Fund, Mahila Udyam Nidhi etc. As per latest data available, SIDBI sanctioned a sum of Rs. 3.27 crore and Rs. 1.26 crore under Refinance Scheme for Rehabilitation (RSR) of sick SSI units during 1999-2000 and 2000-01, respectively. The amount disbursed was Rs. 1.48 crore and Rs. 0.15 crore during these years respectively. SIDBI did not receive any proposal from PLIs seeking assistance under RSR during 1999-2000 to 2001-02 for Maharashtra.