

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2472
ANSWERED ON:10.03.2000
ASSISTANCE TO SICK UNITS
RASA SINGH RAWAT

Will the Minister of FINANCE be pleased to state:

- (a) the State-wise sick units in the country;
- (b) the state-wise details of financial assistance provided to sick units in the country during each of the last three years;
- (c) the State-wise proposals to provide financial assistance to sick units are lying pending with the Central Government;
- (d) the time by which these proposals are likely to be cleared;
- (e) whether the Government propose to close down some of these sick units; and
- (f) if so, the criteria for closure of such units and the names of such units?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) and (b) As reported by Reserve Bank of India (RBI) state-wise details of Number of Sick Non-SSI and SSI Units along with amount outstanding as on March 1996, March 1997 and March 1998 are given in the enclosed Statement I and II respectively.

(c) and (d) Rehabilitation of sick units registered with Board for Industrial and Financial Reconstruction (BIFR) are done in accordance with the provisions of Sick Industrial Companies (Special Provisions) Act, (SICA) 1985. BIFR does not provide financial assistance to the sick industrial companies registered with it. However, wherever feasible, rehabilitation schemes are sanctioned for the revival of the sick companies which include various measures like restructuring the equity, induction of fresh funds by the promoters, merger with the other companies, change of management, provision for working capital and term loans by banks and financial institutions. Reliefs and concessions from various parties also form part of the schemes.

(a) and (f) In case no viable and technically feasible rehabilitation proposals emerge, BIFR recommends winding up of the company to the concerned High Court as per the provisions of SICA.