

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:630
ANSWERED ON:09.07.2004
REVIVAL OF DOMESTIC INDUSTRIES
Gadakh Shri Tukaram Gangadhar;Virendra Kumar Shri

Will the Minister of FINANCE be pleased to state:

- (a) whether huge funds of the Government, banks and financial institutions were blocked in domestic industries, which were closed due to entry of multi-national companies;
- (b) if so, the total amount involved;
- (c) the steps Government proposed to take to recover those funds;
- (d) the number of closed/sick units in the country as on date, State-wise;
- (e) whether the Government, is contemplating to provide special package for revival of closed/sick units in the States;
- (f) if so, the details thereof; and
- (g) the steps taken by the Government for revival of sick units and providing jobs to the workers of closed units?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a) to (c) : Reserve Bank of India(RBI) has reported that it has no information on the closure of industries due to entry of multi-national companies.
- (d) : The number of sick units (non SSI and SSI) and closed units, State-wise, as on March 2003 is given in the Annexure. However, it has been intimated by RBI that the details of closed SSI Units is not available.
- (e) & (g) : RBI has prescribed guidelines for rehabilitation for sick industrial units both in small-scale, medium-scale and large-scale. The OTS Scheme of RBI is also applicable to sick/closed units. Cases of sick units have also been referred to BIFR for examining the possibility of formation of rehabilitation scheme. BIFR has approved 627 rehabilitation schemes as on 31st March 2004. Under the CDR mechanism 82 cases have been approved involving total debts of Rs.61765.26 crores as on March 2004. RBI has issued guidelines in January 2002 based on recommendations of Kohli Working Group for rehabilitation of sick SSI Units identified as potentially viable. RBI has advised banks some broad parameters for grant of relief and concession in respect of viable sick SSI Units, viz., Interest on Working Capital, Funded Interest Term Loan, Working Capital Term Loan, Term Loan and contingency Loan assistance.