

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

UNSTARRED QUESTION NO:74  
ANSWERED ON:01.12.2004  
ENCOURAGING SSI UNITS  
Chowdhury Shri Adhir Ranjan

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

- (a) whether after purchasing refractory bricks worth more than Rs. 3 crores from various small scale industries, the Bharat Aluminium Co. Ltd., has deliberately rejected the same in favour of similar bricks from China;
- (b) if so, whether these small scale industries are now on the verge of closure because of heavy financial crisis due to such action of BALCO;
- (c) whether the policy of Union Government is to encourage SSI Units in all sectors; and
- (d) if so, the steps the Government is taking to ensure that BALCO does not deviate from the established Government policy of encouraging SSI units?

**Answer**

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)&(b): According to the information received from BALCO in the matter through the Ministry of Mines, BALCO did place orders for supply of insulating bricks on three units in Rajasthan. On putting the bricks to use, it was found that they were not as per the specifications contained in the contract and the use thereof would have seriously affected performance. The company, therefore, rejected the bricks (due to their not being as per specifications) and called upon the suppliers to pay the amount due to the company as a result of rejection of the bricks. The rejection of the defective bricks supplied and the claim of the company are reported to be with in the terms of the contract with the suppliers. The above mentioned suppliers did not replace the defective bricks and hence the Company imported the bricks from China, which met the technical specifications.

(c): Yes, Sir.

(d): The Ministry of SSI has written to all the Central Government Ministries, including the Ministry of Mines which is concerned with the affairs of BALCO, to ensure that the Ministries and the Public Sector Undertakings under their administrative jurisdiction adhere to the Central Government's Price and Purchase Preference Policies for the SSI Sector.