

Free Hand to Financial Institutions

1118. SHRI RAMACHANDRAIAH RUMANDLA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the confederation of Indian Industry has demanded that financial institutions be given free hand to off load their holding in poorly managed companies to the highest bidder without any Government interference;
- (b) if so, the views of other Industrial Federations in this regard; and
- (c) the remedial measures proposed by Government to uplift companies in distress?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Yes, Sir, by and large the other apex associations also hold the same view.

(c) Government have initiated several measures to revive the industrial units in distress. Some of these are:— (i) 'The Sick Industrial Companies (Special Provisions) Act, 1985' has been enacted under which a quasijudicial body designated as the Board for Industrial and Financial Reconstruction (BIFR) has been set up to deal with the problems of sick industrial companies; (ii) The Reserve Bank of India has also issued guidelines to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of sick but potentially viable units and (iii) Small Industries Development Bank of India (SIDBI) is administering a Refinancing Scheme for Rehabilitation (RSR) for revival of potentially viable sick small scale industrial units.

Industrial investment in States

1119. SHRI BRAHMAKUMAR BHATT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) what is the percentage of new industrial investment in different States of the country during 1997-98 and 1998-99; and
- (b) what are the main reasons for preference of a particular State?