

Transport subsidy to Arunachal Pradesh

660. SHRI NYODEK YONGGAM: Will the PRIME MINISTER be pleased to state;

(a) whether it is a fact that the decision of the previous Government to release transport subsidies to the Government of Arunachal Pradesh to the tune of Rupees two crores eighteen lakh eight thousand eight hundred twenty seven (Rs. 2, 18, 08, 827/-) is still pending unpaid; and

(b) if so, what are the reasons there for?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. J. KURIEN): (a) and (b) Out of a claim for Rs. 2, 18, 08, 827/- received from the Government of Arunachal Pradesh, an amount of Rs. 2, 12, 71, 512/- was released to the State Government in respect of eligible units in March, 1991.

Closed/sick industrial units in Arunachal Pradesh

661. SHRI NYODEK YONGGAM: Will the PRIME MINISTER be pleased to state:

(a) -what is the number of closed/ sick small and medium industrial units in Arunachal Pradesh;

(b) what are the reasons for their sickness; and

(c) what efforts have been made to revive these units?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. J. KURIEN): (a) Data on sick industrial units assisted by the banks in the country is being collected by the Reserve Bank of India. However, they do not collect specific data on closed industrial units. As per the latest information available from Reserve Bank of India there are 20 sick units in SSI sector and one sick unit in Non-SSI sector in the State of Arunachal Pradesh as at the end of December, 1988.

(b) A number of causes, both internal and external are responsible

for industrial sickness in the country. Among the major causes are: faulty project planning, management deficiencies inefficient financial control, diversion of resources, inadequate attention to R&D, obsolescence of technology and machinery, poor industrial relations, change in market demand, high cost and scarcity of raw materials and other inputs and infrastructural constraints.

(c) For revival of sick industrial units, Government of India have got a uniform policy for the whole country. Some of the important aspects are as follows: —

(i) The Government have enacted a comprehensive legislation namely 'The Sick Industrial Companies (Special Provisions) Act, 1985'. A quasi-judicial body designated as 'The Board for Industrial and Financial Reconstruction (BIFR)' has been set up under the Act to deal with the problems of sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987. •

(ii) The Reserve Bank of India have issued guidelines to the banks for strengthening the monitoring systems and for arresting industrial sickness at the incident stage so that corrective measures are taken in time.

(iii) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of potentially viable units. The banks and financial institutions evolve rehabilitation packages for the revival of sick units.

(iv) Reserve Bank of India have also issued guidelines separately to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of potentially viable sick units without reference to RBI both in the large and small scale sectors.