

to a maximum ceiling of Rs. 40,000/- under Performance and Credit Rating Scheme for SSIs, etc

Revival of SSIs

1321. SHRI O.T. LEPCHA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government have formulated any scheme for revival of sick Small Scale Industries in the country;

(b) if so, the details of the scheme in this regard;

(c) whether any financial grant has been proposed in the current financial budget for revival of these industries by Government; and

(d) if so, the details thereof?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) to (d) The Central Government does not provide any financial assistance for rehabilitation of sick small scale industries (SSIs).

However, financial assistance, by way of debt restructuring, including fresh loans, for the rehabilitation of sick SSI is provided by the primary lending institutions (PLI), including commercial banks, which provide credit to the SSI. For this purpose, the Reserve Bank of India (RBI) has issued detailed guidelines to banks in January 2002 on detection of sickness in SSI at an early stage and taking remedial measures and for rehabilitation of sick SSI units identified as potentially viable.

RBI has issued fresh guidelines on 8th September, 2005, based on the "Policy Package for Stepping up Credit to Small and Medium Enterprises (SMEs)" announced by the Central Government on 10th August, 2005. These guidelines elate, *inter alia*, to viability criteria, prudential norms for restructured accounts, provision of additional finance and time frame for working out the restructuring package and its implementation.

The banks have been advised by the RBI to review the progress in rehabilitation and restructuring of SME accounts on a quarterly basis. The State Level Inter-Institutional Committee (SLIIC), set up in each State under the convenorship of the RBI representative, also monitors, *inter alia*, the implementation of these guidelines.