

- (iii) In September 2005, the RBI issued guidelines to all public sector banks on a One-Time Settlement (OTS) Scheme for recovery of non-performing assets (NPAs) of the SMEs with outstanding balance of Rs. 10 crore and below. The guidelines provide a simplified, non-discretionary and non-discriminatory mechanism for settlement of chronic NPAs in the SME sector.

Special economic package for SSIs

1320. SHRI O.T. LEPCHA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether any special economic package for the small scale industries have proposed to be announced by Government during the current financial year to strengthen small scale industries in the different States of the country;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) what steps are being taken by Government to strengthen the SSIs in the country?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) and (b) The Government has announced a package for steeping up credit to small and medium enterprises with the main objective of doubling the flow of credit to them within a period of five years beginning 2005-06. A package for the promotion of micro and small enterprises is also under consideration of the Government.

(c) The Government has been implementing several schemes to strengthen the small scale industries (SSIs) including, *inter alia*, Central excise exemption up to Rs. 1 crore to the units with annual turnover of up to Rs. 4 crore under the General SSI Excise Exemption Scheme, exemption from collateral security requirements for loans up to Rs. 5 lakh (up to Rs. 25 lakh for units with good track record and financial position), capital subsidy of 15 per cent with a loan ceiling of Rs. 1 crore under Credit Linked Capital Subsidy Scheme for Technology Upgradation of SSIs, reimbursement of charges for acquiring ISO-9000/14000 certification to the extent of 75 per cent of the cost subject to a maximum of Rs. 75,000/-, reimbursement of fee to the extent of 75 per cent subject

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.