

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 435.
TO BE ANSWERED ON MONDAY, THE 18TH DECEMBER, 2017.**

REVIVAL OF CLOSED INDUSTRIES

435. SHRI RAGHAV LAKHANPAL:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) the details of the financial assistance provided by the Government for setting up of new industries along with the number of persons who got employment therefrom during the last three years and the current year;
- (b) the efforts made by the Government to set up industries in the States which are industrially backward and where unemployment is rising rapidly as compared to the other States;
- (c) the details of pending projects/proposals received by the Government from various States along with the reasons for the delay in sanctioning the pending projects and efforts made by the Government for better coordination between the Union and States in this regard; and
- (d) the number of large/medium industries closed down/gone sick during each of the last three years and the current year along with the reasons therefor and the steps taken by the Government to protect/revive these industries?

ANSWER

**वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सी.आर. चौधरी)
THE MINISTER OF STATE
IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI C.R. CHAUDHARY)**

- (a)&(b): Setting up of industries is primarily the responsibility of the State Governments. However, in order to promote industries, Department of Industrial Policy & Promotion (DIPP) implements Policy/Schemes namely, Package for Special Category States and North East Industrial and Investment Promotion Policy (NEIIPP), 2007. Details are at **Annexure-I**.
- (c): Data in this regard is not maintained by DIPP.
- (d): Details regarding sick enterprises, revival/ closures of industrial units, as available are at **Annexure-II**.

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) &(b) OF THE LOK SABHA UNSTARRED QUESTION NO. 435 FOR ANSWER ON 18th DECEMBER, 2017.

Department of Industrial Policy & Promotion (DIPP)

Government has taken a number of measures to promote domestic manufacturing in the country. This inter alia, includes announcement of the National Manufacturing Policy, launch of Make in India initiative, simplification and rationalization of Foreign Direct Investment (FDI) Policy, implementation of industrial corridors and taking of proactive steps for ease of doing business environment in the country. Details of financial assistance/employment generation under schemes of DIPP are as under:-

(i) **Scheme of Package for Special Category States:**

It is for providing concession/subsidy to boost industrial investment in the States of Jammu & Kashmir, Himachal Pradesh and Uttarakhand in order to reduce regional imbalance and generating employment opportunities for local people in these states. The details regarding employment generation and amount released are as under:-

(Rs.in Crore) & Employment Generated in number

State	2014-15		2015-16		2016-17		2017-18 (up to Nov,2017)	
	Amount Released	Employment Generated	Amount Released	Employment Generated	Amount Released	Employment Generated	Amount Released	Employment Generated
Jammu & Kashmir	37.12	2347	0	3445	10.17	3143	24.93	Information Not Available
Himachal Pradesh	18.32	3970	0.23	1190	8.82	46028	21.19	
Uttarakhand	44.46	12571	22.78	18171	5.71	22065	13.84	
Total	99.9	18888	23.01	22806	24.7	71236	59.96	

(ii) **North East Industrial and investment Promotion Policy (NEIIPP), 2007**

It is to promote investment of industrialization in the eight States of NER. As reported by State Governments of NER, Details regarding units established and employment generated is as under:-

Year	Units Established (in numbers)	Employment Generated (in numbers)
2014-15	3238	29080
2015-16	2225	17327
2016-17	3827	53417
2017-18	Information Not available	Information Not available

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 435 FOR ANSWER ON 18th DECEMBER, 2017.

(I) Ministry of Micro Small & Medium Enterprises (MSME)- Office of Development Commissioner MSME:

As on	DATA ON VIABILITY POSITION OF SICK MEDIUM ENTERPRISE UNITS									
	Medium Enterprises (No. of units in Actual & Amount outstanding in Rs. Crores)									
	Potentially Viable		Potentially Non-viable	Viability yet to be decided		Total Sick Unit		Of Viable Units, those under Nursing		
	No. of Units	Amount Outstanding	No. of Units	Amount Outstanding	No. of Units	Amount Outstanding	No. of Units	Amount Outstanding	No. of Units	Amount Outstanding
March 31, 2014	1297	2551.93	1339	3121.76	272	880.56	2908	6554.25	1104	1889.78
March 31, 2015	669	2380.13	1434	3579.67	322	1180.03	2425	7140.36	490	1779.89
March 31, 2016	520	2293.65	5328	4552.77	163	1121.63	6011	7968.08	327	1589.65

Framework for revival and rehabilitation of MSMEs

In order to provide a simpler and faster mechanism to address the stress in the accounts of MSMEs and to facilitate the promotion and development of MSMEs, RBI has, in consultation with the Ministry of MSME, Govt. of India, issued guidelines on 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs)'. The salient features of the Framework are as under:-

- i) Before a loan account of an MSME turns into a Non-Performing Asset (NPA), banks or creditors should identify incipient stress in the account by creating three sub-categories under the Special Mention Account (SMA) category as given in the Framework.
- ii) Any MSME borrower may also voluntarily initiate proceedings under this Framework.
- iii) Committee approach to be adopted for deciding corrective action plan.
- iv) Time lines have been fixed for taking various decisions under the Framework.

(II) Department Of Heavy Industry

During the period under question, six CPSEs under Department of Heavy Industry, namely, Hindustan Photo Films Mfg. Co. Ltd., Hindustan Cables Ltd., Tungabhadra Steel Products Ltd., HMT Watches Ltd., HMT Chinar Watches Ltd. and HMT Bearings Ltd. have been approved for closure by the Government. In Addition, Government has also decided to close down Kota Unit of Instrumentation Ltd. (Rajasthan) and Tractor Division of HMT Ltd. (Haryana) as these CPSEs/ units were suffering with sickness due to a number of factors including poor order book, shortage of working capital, surplus manpower, obsolete plant and machinery and difficulty to adjust to changing market conditions. Furthermore, Department of Heavy Industry (DHI) is considering the revival/ restructuring/ modernization plan of CPSEs namely, Heavy Engineering Corp. Ltd. BHEL-EML, Hindustan Paper Corp. Ltd., Hindustan Salts Ltd., Sambhar Salts Ltd., HMT Ltd. and HMT Machine Tools Ltd.

(III) Department of Fertilizers

The Department of Fertilizers, Government of India, has approved revival of four closed units of FCIL located at Talcher, Ramagundam, Gorakhpur & Sindri and one closed unit of HFCL located at Barauni on nomination basis, subject to non-recourse to Government funding.
