



Prevention of Industrial Sickness

The slowdown in the global economy in the nineties had seriously impacted several industries especially those in the Small Scale Sector. Some of these have been able to restructure and have turned around. Many continue to languish while some have become totally unviable. The State proposes to help in the revival of the viable sick units and facilitate smooth exit of unviable ones.

Revival: It is proposed to help the viable SSI sick units defined by RBI by offering rescheduling of arrears of Government dues as well as electricity charges by granting a period of five years for repayment and offering concessional interest rate @ 7% p.a. The sanction of this facility will be linked to the sanction of rehabilitation program by the concerned financial institution / bank.

The sick MSI / LSI units registered with BIFR and where a revival package has been approved will also be eligible for concessional interest rate of 7% p.a. **12.2 Exit:** For non-viable units, it is proposed to offer smooth exit by allowing a Special Amnesty Scheme under which these units will be allowed one time settlement of State Government dues to be settled at the principal amount by complete waiver of interest. For availing this facility, the entire amount of dues less the interest and penal charges will have to be paid by 31st March 2008.

In addition, the sick units in MIDC areas and Co-operative Industrial Estates opting for an exit will be permitted to dispose of their assets provided that the land should be used either for industrial purpose or for service industries only. Units located outside the MIDC areas / Co operative industrial Estates opting for exit will be permitted to dispose their assets. However the land in such cases will have to be used as per the zoning regulations of the competent Development Authority.