

Sub: Package of reliefs for revival / rehabilitation of sick industries.

Read: G.O. No: CI 167 SPI 2001 dated: 25.9.2002

GOVERNMENT ORDER NO:CI2 BIF 2010, BANGALORE, DTD:20.10.2010

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PREAMBLE

In the Government Order No: CI 167 SPI 2001 dated 25.9.2002, certain reliefs have been sanctioned for rehabilitation of sick industries under BIFR.

2. The Government had issued Industrial Policy 2001-2006 in G.O No: CI 319 SPI 2005 dated: 26.8.2006. In para 3.21 of the said order as far as BIFR cases are concerned, it is stated as under:

*revised
05/09/10*
“ Government would come up with a revival package for sick units and BIFR cases after consultation with all the stake holder's viz., Industries Associations, Financial Institutions, Banks, Service providers and Labour representatives. A clearcut Exit Policy would be attempted”

3. Further, a new Industrial Policy 2009-14 has been brought out vide G.O No: CI 233 SPI 2008 dated: 28.2.2009.

*1/1
2/2/2010*
4. In view of some difficulties faced in the implementation of provisions of CI 167 SPI 2001 dated 25.9.2002 and the change in the tariff orders approved by KERC, it is felt that new guidelines for revival of sick industries are required to be issued.

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5. In many cases, BIFR has been recommending for waiver of interest, penalty, surcharge on the dues, interest on royalty, stamp duty exemption etc. But these exemptions are not covered under the provisions of the Government Order dated: 25.9.2002. Therefore, it is considered necessary to take a suitable decision by the Government in this regard.

6. Hence the Order.

ORDER

In the circumstances explained in the preamble and in partial modification of the Government Order No: CI 167 SPI 2001 dated: 25.9.2002, the State Government is pleased to extend the following reliefs and concessions to Sick Industries and BIFR cases:

I. COMMERCIAL TAX DEPARTMENT:

- [i] The sick units under rehabilitation would be eligible for payment of outstanding principal amount of tax & penalty under the KST/VAT/CST and KTEG Acts with simple interest @ 1/2% per month from the date of Government Order in 6 half yearly installments.
- [ii] Waiver of 75% of the total accrued interest on the principal and penalty till the date of declaring the unit as sick by BIFR. Remaining 25% of the interest shall be paid in 6 half yearly installment without interest.
- [iii] Payment of interest @ 1/2% per month on the principal tax and penalty for the period from the date of declaring the unit as sick by BIFR till the issue of Government Order for rehabilitation in 6 half yearly interest free installment.
- [iv] If the unit fails to pay the principal tax, penalty and interest as above, a penal interest at statutory rates will be levied which shall be paid along with the defaulted amount.
- [v] No interest shall be charged for the closure period.
- [vi] Future taxes [KST/VAT/CST and KTEG] shall be payable by the units along with the returns in accordance with the provisions of the relevant Act.

II STAMPS & REGISTRATION DEPARTMENT.

Stamp duty exemption will be given in respect of BIFR cases as per the Industrial Policy 2009-14.

III DEPARTMENT OF MINES AND GEOLOGY

- i) Principal amount including cess with simple interest @ 1/2% per month to be paid in 6 half yearly installments.
- ii) No interest will be calculated for the closure period.
- iii) Mining leases will be renewed after the dues are cleared.

IV. KPTCL / ESCOMS

With regard to energy dues, the companies shall approach the Karnataka Electricity Reforms Commission, as no financial support from the State Government will be provided for the ESCOM dues.

V. INDUSTRIES DEPARTMENT

One time settlement of Development loan will be as follows:-

- 1] This will be prospective in nature.
- 2] The payment of principal should be in six half yearly interest free instalments.
- 3] 75% of the total accrued interest on the principal and penalty till the date of declaring the unit as sick by BIFR will be waived off. Remaining 25% of the interest shall be paid in 6 half yearly instalment without interest.
- 4] Any interest paid in the past should not be adjusted against principal outstanding dues.
- 5] The principal outstanding dues as on the date of issue of the G.O should be the value on which the OTS should be offered.

VI. DELEGATION OF FINANCIAL POWERS

BIFR Sub-Committee is vested with power to grant reliefs as per the standard package involving financial implication upto Rs. 2 crores. Beyond Rs. 2 crores, the proposal shall be placed before the High Level Committee.

This order issues with the concurrence of Finance Department vide U.O. Note No: FD 1230 Exp-1/2010 dated: 19.8.2010

BY ORDER & IN THE NAME OF THE
GOVERNOR OF KARNATAKA

20/10/10
[M.S. GANAPATHY]
Deputy Secretary to Government,
Commerce & Industries Department.

To:

The Compiler, Karnataka Gazette, Bangalore.

Copy to:

1. The Accountant General in Karnataka, Bangalore-1
2. The Principal Secretary to Government, Finance Dept. Vidhana Soudha, Bangalore.
3. All the Principal Secretaries and Secretaries to Government.
4. The Commissioner for Industrial Development and Director of Industries and Commerce, Khanija Bhavan, Race Course Road, Bangalore-1.
5. The Commissioner for Commercial Taxes Dept, Gandhinagar, Bangalore.
6. The CMD, KPTCL, Cauvery Bhavan, Bangalore-9
7. The Managing Directors of Bangalore Electricity Supply Company, Mangalore Electricity Supply Company, Gulbarga Electricity Supply Company and Hubli Electricity Supply Company.
8. The MD, KSSIDC, Khanija Bhavan, Race Road, Bangalore-1
9. The MD, KSEG, Thimmaiah Road, Bangalore-52
10. The MD, KSSIDC, Rajajinagar Industrial Area, Bangalore
11. The CEO and EM, KIADB, Nrupathunga Road, Bangalore-1.
12. The Director, Mines Geology Department, Khanija Bhavan, Race Course Road, Bangalore-560 001.
13. The Joint Director [ID] of Industries and Commerce, Khanija Bhavan, Race Course Road, Bangalore-1
14. The Inspector General of Registration and Commissioner of Stamps, K.R Circle, Bangalore.
15. The Director, Technical Cell, Commerce and Industries Department.
16. Cabinet Section [C :431/2010]
17. Guard Files/Spare copies/office copy.

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub:-Package of reliefs for revival/rehabilitation of sick Industries.
Read: 1. G.O No:CI 167 SPI 2001 dated: 26th Sep. 2002.
2. G.O No:CI 319 SPI 2005 dated: 26th Aug. 2006.

PREAMBLE:

[1] Government Order dated 26.9.2002 read at S.L.No[1] above the incentives and concessions have been extended to sick SSI Units.

The validity of the above incentives and concessions were for a period of 5 years from 1.4.2001 [i.e. up to 31.3.2006].

In the Industrial Policy 2006-11 issued in Government order dated 26.8.2006 read at S.L.No.[2] above, it has been mentioned that Government would come up with a separate revival package for sick SSI units and BIFR cases, after consultation with all stake holders viz., Industry Associations, Financial Institutions/Banks, Service Providers, Labour representatives. This exercise of consultation and firming up the policy on sick SSI Units will take quite sometime. Meanwhile, Government has to take a stand on the sick SSI cases as and when they come up for discussion/decision. Therefore till such time a new policy is formulated for sick SSI Units as envisaged, it is considered necessary to continue the incentives and concessions available in 2001-06 package for sick SSI Units.

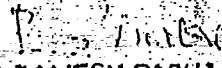
Hence the following Order.

GOVERNMENT ORDER NO:CI 406 SPI 2006(P1), BANGALORE DATED 22.1.2007

In the circumstances explained in the preamble, Government is pleased to continue the incentives and concessions available in G.O No: CI 167 SPI 2001 dated 26.9.2002 [2001-06] package for sick SSI units till such time a new policy is formulated for sick SSI units.

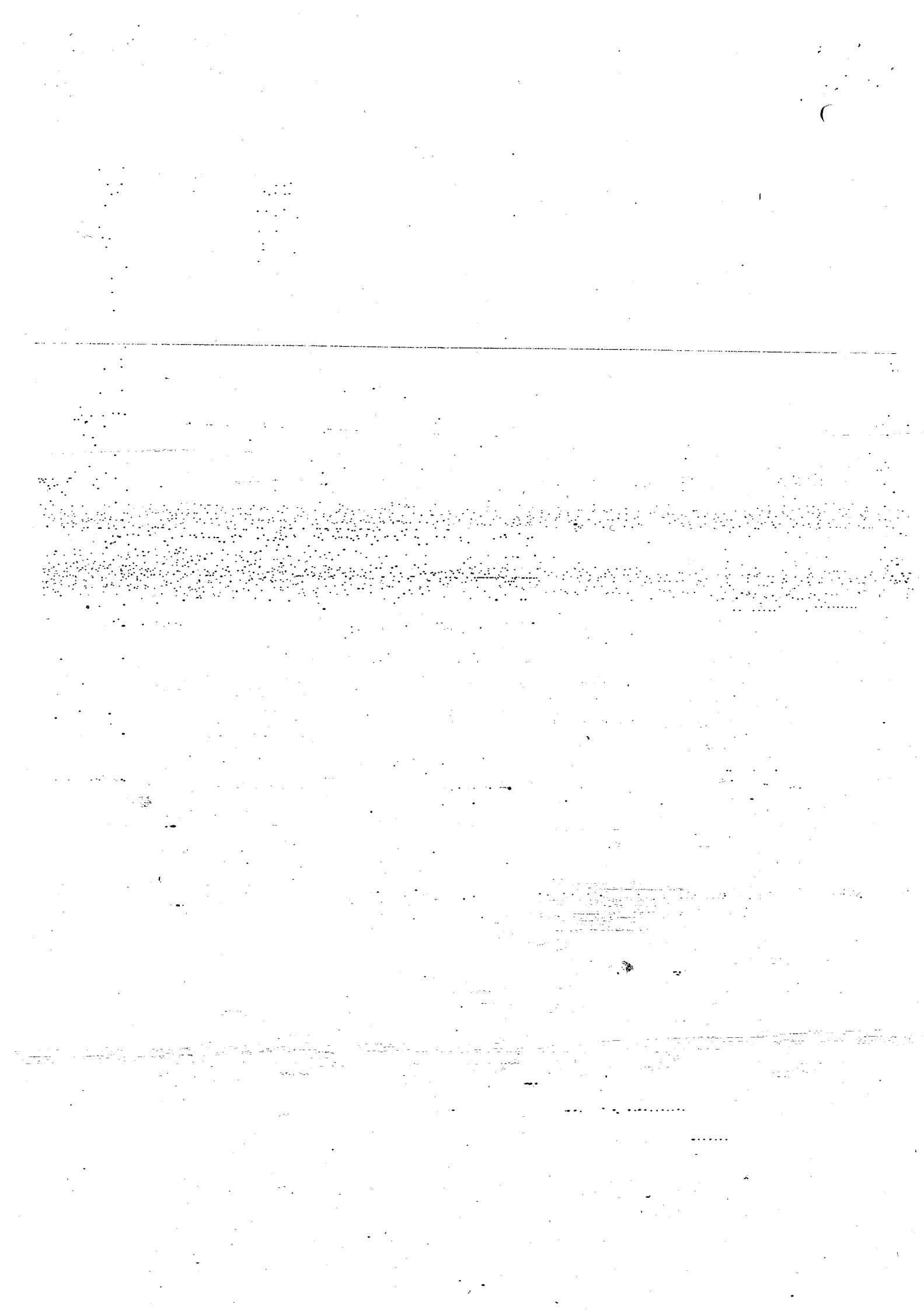
This order issues with the concurrence of Finance Department vide U.O Note No: FD 2259 Exp-I/06 dated: 08.01.2007

By order and in the name of the
Governor of Karnataka.


B.RAMESH BABU
Desk Officer (Technical Cell)
Commerce & Industries Department

To:

1. The Accountant General, Karnataka, Bangalore



CORRIGENDUM

Sub: Package of Reliefs and concessions for rehabilitation sick SSI units in Karnataka – restructure of the State Level Committee – reg.

Ref: 1) G.O.No.CI 167 SPI 2001 Bangalore, Dt: 25-9-2002.

2) D.O.Letter of Commissioner for Industrial Development & Director of Industries & Commerce, Bangalore No. SSI/2nd SLC/SLICK/04-05 Dt: 21-12-04.

PREAMBLE:

In the Govt. Order referred above a state level committee has been constituted for consideration of the recommendation of the district level committee regarding grant of relief package to SSI & issue formal orders in respect of each case. This committee will also function as a Appellate authority and shall also clarify any issues regarding implementation of rehabilitation package.

Commissioner for Industrial Development & Director of Industries & Commerce in his letter has recommended certain modifications in the constitution of the committee. Hence the order.

ORDER NO.CI 1 SPI 2005, BANGALORE DATED 19th JANUARY, 2005

25 JAN 2005
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In the circumstances explained in the preamble of this order Govt. is hereby pleased to reconstitute the state level committee as follows:

1.	Secretary to Govt. (SSI)	- Chairman
2.	Commissioner for Industrial Development & Director of Industries & Commerce	- Member
3.	Deputy Secretary, Finance Dept	- Member
4.	Commissioner for Commercial Tax	- Member
5.	Commissioner for Labour Dept.	- Member
6.	MD, KPTCL	- Member
7.	MD, KSFC	- Member
8.	MD, KSSIDC	- Member
9.	General Manager, RPCD, RBI	- Member

By order and in the name of the
Governor of Karnataka

~~1/1/1982~~
(M. Shivalingaswamy)
Under Secretary to Government (ID)
Commerce & Industries Dept.

To

1. The Accountant general in Karnataka, Bangalore-01.
2. The Commissioner for Industrial Development & Director of Industries & Commerce, # 49, Khanija Bhavan, Race Course Rd, Bangalore.
3. The Deputy Secretary, Finance Dept.
4. The Commissioner for Commercial Tax
5. The Commissioner for Labour Dept.
6. The MD, KPTCL, Cauvery Bhavan, Bangalore-09.
7. The MD, KSFC, Thimmaiah Rd, Bangalore-52.
8. The MD, KSSIDC, Rajajinagar Industrial Area, Bangalore.
9. The General Manager, RPCD, RBI.
10. The Convener, SLBC & GM, Syndicate Bank.
11. The Addl. Director (SSI), # 49, Khanija Bhavan, Race Course Rd, Bangalore.

No. SSI.EOI.SICKREH.2004-05

Directorate of Industries and
Commerce, #49, Race Course Road,
Bangalore-1, Date:28.02.2005

Copy for information to:

1. The Additional Director (Admn)/DIC/Vishwa Head Office, Bangalore.
2. The Joint Director (ID) / AEP/Planning, Head Office, Bangalore.
3. The Joint Director, District Industries Centre.....
4. The Accounts Officer (Accounts) / Audit Head Office, Bangalore
5. The Deputy Director (Inspection) / DIC/Vishwa/ID/ Head Office,
Bangalore.
6. The Assistant Director (Information) Head Office, Bangalore.

For Additional Director (SSI)

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Package of reliefs for revival/rehabilitation of sick Industries

Read: 1. G.O. No.CI 12 PUM 93 dated 28th Dec 1996.
2. G.O. No.CI 26 BIFR 95, dated 19th Nov. 1997.

3 OCT 2002

Preamble:

In Govt. Orders read at 1 & 2 above, certain reliefs were extended to revival of sick SSI units and also sick Industries registered with the BIFR. In view of the changing economic scenario, in particular the impact of globalisation and liberalisation on the local industry and also the likely impact of various agreements under the WTO regime, a need has been felt to modify the package of reliefs for revival/rehabilitation of sick industries.

The matter has been discussed in detail with all concerned Departments. The relief package in respect of arrears of energy bills has been considered by the Karnataka Electricity Regulatory Commission and the Commission has approved the same in the Tariff Order 2002.

Hence the following orders:

ORDER NO.CI 167 SPI 2001, BANGALORE, DATED 26TH SEPT. 2002

In supersession of the orders read at 1 & 2 above the following modified orders are issued regarding package of reliefs for revival of sick industries:

1. NON BIFR CASES - SICK SMALL SCALE INDUSTRIES (NOT COVERED BY SICA):

A. Definition of a sick unit [As per RBI guidelines RPPD No.PLNFS.BC, 57/06.04.01/2001-2002 dated 16th Jan. 2002]:

An Industry is considered as sick if:

- Any of the borrowing accounts of the unit remains substandard for more than six months i.e., principal or interest, in respect of any of its borrowing accounts has remained overdue for a period exceeding one year. The requirement of overdue period exceeding one year will remain unchanged even if the present period for classification of an account as sub-standard, is reduced in due course.
- There is erosion in the net worth due to accumulated cash losses to the extent of 50% of its net worth during the previous accounting year; and
- The unit has been in commercial production for at least 2 years. Units becoming sick on account of wilful mismanagement, wilful default.

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1. Circulate
and send by A.M.

8/10/02

unauthorised diversion of funds, disputes among partners, promoters, etc., not be considered for rehabilitation.

[The definition of the sick unit will stand amended as and when revised by the Reserve Bank of India/Govt. of India].

B. Margin money Assistance for SSIs

- a) This would be on the lines of the National Equity Fund (NEF) scheme of the Small Industries Development Bank of India (SIDBI);
- b) Sick units only in the SSI sector, which are considered potentially viable would be eligible for Margin Money assistance;
- c) The project cost on rehabilitation should not exceed Rs.40.00 lakhs. The promoter's contribution should be 10% of the project cost and the maximum amount of assistance from the State Govt. would be Rs.2.50 lakhs per project;
- d) The conditions regarding security and repayment would be those applicable under the NEF scheme;
- e) Margin money assistance in any year would be limited to the budgetary provision; and
- f) The Margin Money scheme would be utilised after availing full benefits under the NEF for eligible units.

C) Reliefs from KPTCL/Regional Power Supply Companies:

- KPTCL/Regional Power Supply Companies may be instructed not to charge fixed charges/demand charges during closure period;
- Arrears of energy bills to KPTCL/Regional Power Supply Companies may be allowed to be repaid in 6 half-yearly instalments with interest calculated at 6% per annum or [1/2 % per month]. Arrears for this purpose will be arrears as indicated in the rehabilitation package or the Order sanctioning the relief package to the unit by the Commissioner for Industrial Development and Director of Industries & Commerce as detailed in sub Para (G) 2;
- KPTCL/Regional Power Supply Companies may not charge interest for the closure period.

Note:

KERC in its Tariff Order 2002 has ordered that "However considering request of the industries, the Commission has agreed to earmark an amount of Rs.1.0 Cr. out of the cross subsidy available from the industrial tariff and accords approval for implementation of the reliefs to the sick industries under New Industrial Policy by KPTCL." The amounts of reliefs and concessions extended by KPTCL/Regional Power Supply Companies, in excess of Rs.1.0 Cr., will be reimbursed by the Industries Dept. through budgetary releases, for which purpose KPTCL/Regional Power Supply Companies will first extend these reliefs to the concerned industrial units on the basis of the order sanctioning

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the relief package issued by Commissioner for Industrial Development and Director of Industries & Commerce and thereafter submit a consolidated claim on annual basis to the Industries Dept for reimbursement.

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D) Rephasing of KIADB, KSSIDC, KEONICS Dues:

The overdues of the entrepreneurs, payable to KIADB, KSSIDC & KEONICS as indicated in the relief package may be phased and the entrepreneurs may be allowed to make payment of overdues free of interest on these amounts in 4 equal annual instalments with a moratorium period of 1 year from the date of sanction of rehabilitation package.

E) Rephasing of Development Loan:

Overdues of interest free Development Loan/Working capital loan availed by units from Government may be rescheduled to be paid over a period of 3 years from the date of commencement of rehabilitation scheme by the financial institutions/banks in 6 half yearly instalments without interest.

F) Tax related benefits:

- i. The sick units under rehabilitation may be allowed payment of tax arrears under the KST Act 1957, CST Act 1956 and KTEG Act 1979 in six half yearly instalments with a simple interest of $A\frac{1}{4}\%$ per month. The tax arrears for the purpose of rehabilitation package includes tax amount under the respective Acts, penalty and interest computed up to the date of commencement of package to the sick units.
- ii. Future taxes payable by the industry under the aforesaid Acts [from the date of commencement of the rehabilitation package] may be deferred, without interest, for a period of three years. Such deferred taxes will be paid in three annual instalments along with the current taxes of the respective years after expiry of the deferment period.

G) Terms & Conditions:

The sanction of reliefs and concessions outlined above would inter alia be subject to the following specific terms and conditions.

1. The sanctioned benefits would be need based depending upon assistance required and would become effective only after the Banks/Financial Institutions sanction the rehabilitation package and certify that the unit under consideration would be viable for rehabilitation.
- In respect of self-financed units the district Level Task Force will assist the entrepreneurs in drawing up a suitable rehabilitation package. However, assistance under this order for such units will be considered only after the District Level Single Window Agency approves the scheme and any recognised bank/financial institution comes forward to extend financial assistance as envisaged in the scheme.
2. The District Level Single Window Agency headed by the Deputy Commissioner will consider and recommend the necessary reliefs and concessions to the units as

4. 20/08/2007

suggested by the District Level Task Force and forward the recommendation to the State Level Committee headed by the Principal Secretary to Govt., Commerce & Industries Dept. as detailed in Annexure-1, to approve the package. Orders will be issued by the Commissioner for Industrial Development and Director of Industries & Commerce only after approval of the package by the State Level Committee.

3. These reliefs and concessions are available to units only once in lifetime.
4. The Implementation of the comprehensive package for rehabilitation of sick units would be done through a system of committees and as per procedure prescribed in Annexure-1.

CASES REGISTERED WITH BIFR:

The following reliefs and concessions may be extended by the Govt. to sick Industries registered in the BIFR for rehabilitation/revival;

- i) Deferment and reschedule of the outstanding Development loan for a period of three years subject to payment of 10% interest per annum on the defaulted/deferred instalments.
- ii) Reduction in power cut for sick Industries upto 50% of the cut applicable to normal units. This would be applicable to sick units for a period of two years only. Further extension at the end of the second year may be considered only if the said industry is on the path of recovery.
- iii) KPTCL/Regional Power Supply Companies may be ordered not to levy fixed charges/demand charges during closure period;
- iv) Arrears of energy bills to KPTCL/Regional Power Supply Companies may be allowed to be repaid in 6 half-yearly instalments and interest charges for defaults may be reduced to $\frac{1}{2}\%$ per month; Arrears for this purpose will be arrears till the date as indicated in the Govt. Order as detailed in Sub Para 2.3 or 2.5 as the case may be.
- v) KPTCL/Regional Power Supply Companies may be ordered not to charge interest for the closure period.
- vi) Assistance to sick units in reaching equitable agreements through the Labour/Law departments.
- vii) Assistance for sale of surplus land [if any, as per the approved rehabilitation package prepared by O.A.] provided that proceeds from such sale are utilised as per the rehabilitation package.
- viii) The requirement for production of guarantees of Banks/institutions for payment of dues by the sick units to Government Department or Government owned Corporation may be waived.
- ix) The sick units under rehabilitation would be eligible for the payment of tax arrears under the KST Act 1957, CST Act 1956 and KTEG Act 1979 in six half yearly instalments with a simple interest of $\frac{1}{2}\%$ per month. The tax arrears for the purpose of rehabilitation package includes tax amount under the respective Acts, penalty and interest computed up to the date as indicated in the Govt. Order sanctioning the package to the sick unit.

Re. 25-02-2009

ix) Future taxes [KST & CST] payable by the industry [from the date of commencement of the rehabilitation package] may be deferred, without interest, for a period of three years. Such deferred taxes will be paid in three annual instalments along with the current taxes of the respective years after expiry of the deferment period.

Note: KERC in its Tariff Order 2002 has ordered that ~~the~~ However considering request of the industries, the Commission has agreed to earmark an amount of Rs.1.0 Cr. out of the cross subsidy available from the industrial tariff and accords approval for implementation of the reliefs to the sick industries under New Industrial Policy by KPTCL ~~and~~. The amounts of reliefs and concessions extended by KPTCL/Regional Power Supply Companies, in excess of Rs.1.0 Cr., will be reimbursed by the Industries Dept. through budgetary releases, for which purpose KPTCL/Regional Power Supply Companies will first extend these reliefs to the concerned Industrial units on the basis of Govt. Order sanctioning the relief packages issued by the Government and thereafter submit a consolidated claim on annual basis to the Industries Dept. for reimbursement.

2.1 Terms & Conditions:

Grant of these reliefs and concessions which would be need based depending upon assistance required would be *inter alia* subject to the following specific terms and conditions:

- i) They will come into effect only after having been incorporated in Draft Rehabilitation Scheme approved by the BIFR/AAIFR.
- ii) The Operating Agency shall prepare a draft rehabilitation report and submit the same to the State Government for approval.
- iii) The company shall not declare any dividend until full repayment has been made of entire overdues to the State Government.
- iv) The Company shall furnish quarterly reports regarding the progress made in implementation of the BIFR/AAIFR sanctioned schemes.

2.2 Sanctions by BIFR Sub Committees:

The BIFR Sub-committee under the Chairmanship of the Principal Secretary to Govt., Commerce and Industries department will consider the draft rehabilitation report as prepared by the Operating Agency and is hereby delegated powers to sanction the reliefs as indicated in 2 (i) to (x) above subject to following maximum reliefs in each case:

- i) To defer and reschedule outstanding Development loan dues up to Rs.50.00 lakhs [Rupees fifty lakhs] for a period of three years subject to payment of 10% interest per annum on the defaulted/deferred instalments.
- ii) To reduce power cut for sick industries up to 50% of the cut applicable to normal units for a period of two years only.
- iii) To waive monthly minimum demand charges during the closure period of the unit/factory;

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- iv) To charge interest at 6% per annum on the belated payment of three Mh and other arrears. Arrears, which are not specifically covered in the orders shall attract interest at 24% per annum as per energy supply regulations.
- v) To grant relief for repayment of tax arrears as detailed in Sub-Para [ix] and future tax deferment as detailed in Sub Para [x] of the Para-2 above subject to condition that the financial implications of such deferment does not exceed Rs.50 lakhs in each case;
- vi) To assist the sick units in reaching equitable agreement in consultation with the Labour/Law department.

2.3 The sanctions made by the BIFR Sub-committee within the above delegated powers, will be incorporated in Govt. orders to be issued in each case with the approval of the Minister for Large and Medium Industries and become effective after approval of DRS as indicated in Para 2.1 (i) above.

2.4 Sanctions by High Level Committee:

The High Level Committee under the Chairmanship of Chief Secretary to Government is delegated with following powers:

- i) To defer and reschedule outstanding development loan dues beyond Rs.50 lakhs [Fifty lakhs] and up to Rs.1.0 Crore [One Crore] for a period of 3 years subject to payment of 10% interest per annum on the default/deferred instalments;
- ii) To grant relief for repayment of tax arrears as detailed in Sub Para [ix] and future tax deferment as detailed in Sub Para [x] of Para-2 above involving financial implications in excess of Rs.50 lakhs in each case;
- iii) To devise a suitable mechanism for the sale of surplus lands subject to proceeds thereof being utilised as per the rehabilitation package; and
- iv) To decide cases which envisage reliefs and concessions beyond the maximum limits outlined in this order.

2.5 Further all cases decided by the High Level Committee shall be placed before the Cabinet for approval.

2.6 The composition of the sub committee and the High Level Committee are detailed in Annexure-2 to this order.

2.7 The reliefs granted to eligible sick industries under this order shall be subject to annual review by the BIFR Sub-Committee under the Chair-manship of ACS & Principal Secretary to Govt., Commerce & Industries Dept. and the said Sub-Committee shall recommend to the BIFR/AAIFR the continuation or otherwise of reliefs granted based on the performance of industries on a year to year basis.

2.8 These orders shall be deemed to have come in to effect from 1.4.2001, in so far as the applicability to sick industries identified/registered on or after 1.4.2001. However the

4. *Explanatory*

Effects under this order shall be available to such industries only with prospective effect from the date of issue of this order. These orders shall be in force for a period of 5 years from 1.4.2001.

This order issues with concurrence of Finance Dept. in its U.O. note No.FD 1543 Exp-2002 dated 9th Sept. 2002.

By order and in the name of the
Government of Karnataka

u. Z. *[Signature]* 25.9.02
[T.Premnarasimha]

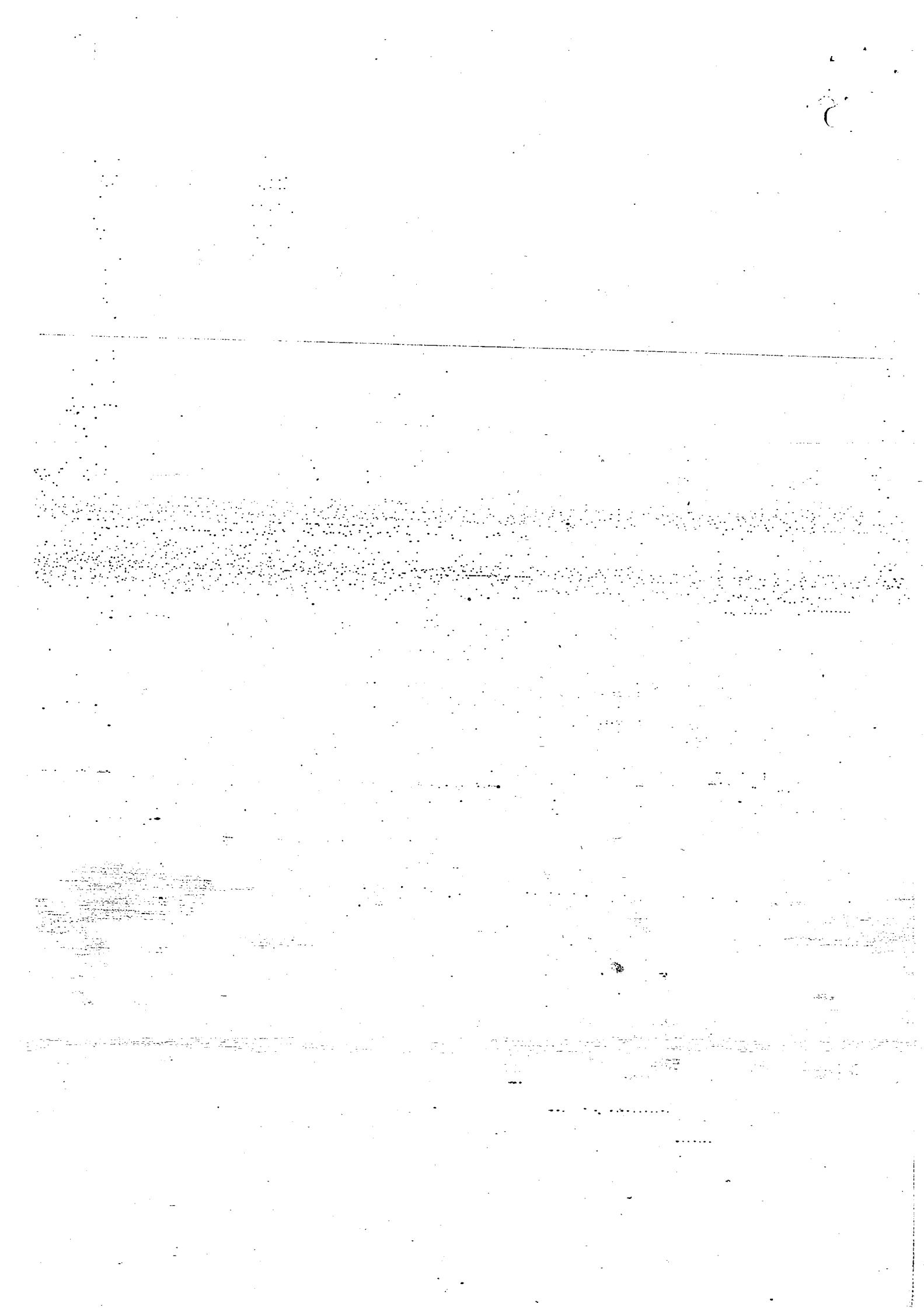
Under Secretary to Govt.[ID]

Commerce & Industries Dept.

To

1. The Accountant general in Karnataka, Bangalore-1
2. The ACS & Development Commissioner, M.S.Bldg.
3. The Principal Secretary to Govt., Finance Dept., Vidhana Soudha
4. All the Principal Secretaries & Secretaries to Government
5. The Commissioner for Industrial Development & Director of Industries & Commerce, Kaniya Bhavan, 49 Race Course Road, Bangalore-1
6. The Commissioner for Commercial Taxes, Gandhi Nagar, Bangalore-9
7. The CMD, KPTCL, Cauvery Bhavan, Bangalore - 9.
8. The Managing Directors of Bangalore Electricity Supply Company, Mangalore Electricity Supply Company, Gulbarga Electricity Supply Company and Hubli Electricity Supply Company.
9. The MD, KSHDC, 36 Cunningham Road, Bangalore-52
10. The MD, KSFC, Thimmalah Road, Bangalore-52
11. The MD, KSSIDC, Rajajinagar Industrial Area, Bangalore
12. The CEO & EM, KIADB, 14/3 Nrupathunga Road, Bangalore-1
13. The Additional Secretary to Govt. [BIFR], Commerce & Industries Dept.
14. The Joint Director [ID] of Industries & Commerce, Kaniya Bhavan, 49 Race Course Road, Bangalore-1
15. The MD, Karnataka Udyoga Mitra, Kaniya Bhavan, 49 Race Course Road, Bangalore-1
16. The Inspector General of Registration and Commissioner of Stamps, K.R.Circle, Bangalore-1
17. All the Deputy Commissioners of Districts
18. All the Joint Directors of District Industries Centres
19. Guard File/Spare copies/office copy.

u. Z. *[Signature]*



The State Level Committee will be as follows:

1. Principal Secretary to Govt. Commerce & Industries Dept.	Chairman
2. Secretary to Govt.-II, Commerce & Industries Dept.	Member
3. Commissioner for Industrial Development and Director of Industries & Commerce	Member
4. Nominee of the Finance Secretariat	Member
5. Commissioner for Commercial Taxes/its nominee	Member
6. Nominee of the Labour Dept.	Member
7. Nominee of KEB	Member
8. Managing Director, KSFC	Member
9. Deputy General Manager, SIDBI	Member
10. Joint Chief Officer, RBL/ his nominee	Member
11. Convenor of SLUC/concerned bank	Member
12. MD-KSSIDC/MD-KEONICS/EM-KIADB	Member
13. Additional Director [SSI]/Joint Director [SSI]	Secretary

The functions of the State Level Empowered Committee will include consideration of the recommendation of the District Level Committee regarding grant of relief package to SSIs and to confirm/approve the same and cause issue of formal orders in respect of each case. This Committee will also function as an Appellate Authority and it shall review the decisions of the District Level Committees against any appeal preferred by the entrepreneurs. It shall also clarify any issues regarding the implementation of the rehabilitation packages. It shall also be authorised to remove anomalies, if any, in the interpretation/implementation of the package.

District Level Committee:

The existing Dist. Level Single Window Agency headed by the Dy. Commissioner constituted vide G.O.CI 49-SPI 93, dated 30th Nov. 1993/15th Dec. 1993 is empowered to recommend the relief package to eligible Industries. The recommendations of the Dist. Level Committee can be given effect to only after approval/confirmation by the State Level Committee.

1. Deputy Commissioner of the District	Chairman
2. Chief Executive Officer, ZP	Member
3. Lead Bank Manager [Member]	Member
4. Jurisdictional Deputy Commissioner/Joint Commissioner	Member
5. Jurisdictional Executive Engineer, KEB	Member
6. Branch Manager KSSIDC	Member
7. Representative of KIADB	Member
8. Representative of KSFC	Member
9. Commissioner, Urban Development Authority	Member
10. Assistant Director of Town Planning	Member
11. Jurisdictional Officer of Pollution Control Board	Member-convenor
12. Joint Director, DTC	Member
13. Commissioner/Chief Officer of the concerned CMC/TMC	Member
14. District Labour Officer	Member
15. Dy. Chief Inspector of Factories of the concerned area	Member

2. 2000-01

The above Single Window Agency and empowered committee shall sanction the package of reliefs and concessions for identified sick SSI units based on the recommendations of the Task Force:

District Level Task Force:

1. Joint Director In-charge Office/Joint Director, DIC	.. Chairman
2. Jurisdictional Joint CCT/Deputy CCT	.. Member
3. Representative from KSFCL/Lead Bank	.. Member
4. Representative of concerned Bank	.. Member
5. Deputy Director [Credit], DIC	.. Member-Secretary

The functions of the District Level Task Force shall be the following:

- a) Undertaking to identify a SSI unit as sick, based on the guidelines of RBI
- b) Certify SSI units as 'Sick Unit' for the purpose of availing this package.
- c) Cause to get viability and potentiality report of the said SSI unit through the concerned leading Institutions.
- d) To examine the possibility of rehabilitating such SSI, first under the National Equity Fund scheme, Govt. of India.
- e) To recommend to the District Level Committee, the quantum of margin money to be sanctioned.
- f) To recommend to the District Level Committee and other concessions to be granted to the unit.

[Signature]

Composition of the High Level Committee and BIFR Sub-Committee which consider sick industries registered with the BIFR

A. High Level Committee

1. The Chief Secretary to Government - Chairman
2. The ACS & Principal Secretary to Govt/ Principal Secretary to Govt., Commerce & Industries Dept. - Member
3. The Principal Secretary to Govt., Finance Department - Member
4. The Principal Secretary to Govt., Energy Department - Member
5. The Principal Secretary to Govt/ Secretary to Govt.. Urban Development Dept. - Member
6. The Principal Secretary to Govt/ Secretary to Govt. - Labour Department
7. The Secretary to Govt. [SSI & Mines] Commerce & Industries Dept. - Member
8. The Commissioner for Commercial Taxes - Member
9. The MD, KSHDC - Member
10. The CMD, KPTCL - Member
11. The Managing Director/ Chief Engineer, Electricity Supply Company - Member
12. The Managing Director, KSPC - Member
13. The Commissioner for Industrial Development and Director of Industries & Commerce - Member Convenor

Composition of the BIFR Sub-Committee:

1. The ACS & Principal Secretary to Govt/ Secretary to Govt., Commerce & Industries Dept. - Chairman
2. The Commissioner for Commercial Taxes - Member
3. The Commissioner for Industrial Development and Director of Industries & Commerce - Member
4. The Chief Engineer, KVICL/ Electricity Supply Company - Member
5. The Deputy Secretary to Govt. [B & R], Finance Department - Member
6. The Additional Secretary to Govt/ Deputy Secretary [SUMIC], Commerce & Industries Dept. - Member Convenor.

20. ~~Exhibition~~

No.SSI/S1/Sick Policy-2002/2002-03

Office of the Director,
No.49, Khinaja Bhavan,
Race Course Road,
Bangalore-560001
Dated : 7-10-2002

Copy for information to:

1. The Additional Director (Admn)/DIC/Vishwa/ICS HO B'llore
2. The Joint Director (ID)/AEP/Planning H.O. B'llore
3. The Joint Director, District Industries Centre
4. The Accounts Officer (Accounts)/Audit H.O. B'llore
5. The Deputy Director (Inspection)/DIC/Vishwa/ID H.O.B'llore
6. The President,
7. The Assistant Director (Information) H.O., Bangalore

For Additional Director (SSI)
7-10-02