

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2027
ANSWERED ON:09.03.2001
WINDING UP OF GENELEC
ASHOK NAMDEORAO MOHOL

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Board for Industrial and Financial Reconstruction has issued a show-cause notice for winding up the Genelec Limited;
- (b) If so, the details thereof and the reasons therefore;
- (c) The steps taken by the Government to rehabilitate the company before taking such decision; and
- (d) The funds provided to the company for its rehabilitation?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

- (a): Yes, Sir. The Board for Industrial & Financial Reconstruction (BIFR) has issued a show-cause notice for winding up of the Genelec Limited on 9.2.2001.
- (b): The BIFR has reported that there was no progress in the implementation of the scheme of merger sanctioned in 1995 and the merger envisaged did not take place. The Company had not been able to make itself viable or its net worth positive during the 10 years period even after enjoying the protection under Section 22(1) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).
- (c) & (d) : Further developments will depend upon the decision of BIFR where the next date is 23/5/2001.