

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7326
ANSWERED ON:12.05.2000
BIFR
GORDHANBHAI JAVIA;RAMSHETH THAKUR

Will the Minister of FINANCE be pleased to state:

- (a) whether the performance of BIFR is very poor since its inception;
- (b) if so, the number of cases of industrial sickness pending with BiFR, as on date;
- (c) the reasons for pendency of these cases;
- (d) the number of Benches of BIFR functioning at present;
- (e) the reasons for curtailing the number of its Benches; and
- (f) the steps taken for speedy disposal of cases?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) to (c) Board for industrial and Financial Reconstruction (BIFR) was set up under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with a view to tackle the issue of industrial sickness in an effective manner, to secure timely detection of sick and potentially sick companies owning industrial undertakings, speedy determination by BIFR of the preventive, ameliorative, remedial and other measures which were required to be taken with respect to such companies and the expeditious enforcement of the measures so determined. BIFR mechanism, however, has not been completely successful to effectively tackle the problems of industrial sickness. Major reasons for this inter-alia include restrictive definition of sickness, excessive protection of sick industrial companies under section 22 of SICA for automatic stay on all proceedings, slow and dilatory BIFR procedures and excessively long time taken for disposal of cases etc. It has been reported by BIFR that as on 31.12.1999 BIFR and AAIFR/Supreme Court has approved/sanctioned 616 and 27 Rehabilitation Schemes respectively. As on 31.12.1999 BIFR had 1003 cases pending at different stages of enquiry.

(d) At present three benches of BIFR are functional comprising six members including the acting chairman.

(e) and (f) Government is presently engaged in evaluating the functioning of BIFR mechanism and operation of the Sick industrial Companies (Special Provisions) Act, 1985 with a view to find out ways to tackle the problem of Industrial Sickness in a more effective manner.