

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:231
ANSWERED ON:23.11.2012
REVIVAL OF SICK UNITS
Chavan Shri Harischandra Deoram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Board for Industrial and Financial Reconstruction has suggested some measures for the revival of sick industrial units of Government/semi-Government sector;
- (b) if so, the details thereof;
- (c) the details of follow up action taken in this regard; and
- (d) the process likely to be adopted by the Government to tackle this problem?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE {SHRI NAMO NARAIN MEENA}

(a) to (d): Yes. As per Section 18 of the SICA, the following measures are recommended by the BIFR towards the revival and rehabilitation of a sick company:

- (i) Financial reconstruction
- (ii) Change in management of sick company.
- (iii) Amalgamation with other company.
- (iv) Sale or lease of part of or whole of sick company.
- (v) Such other preventive ameliorative and remedial measures as may be appropriate.

It is pertinent to mention that only those `Industrial Undertakings` (both in Public and Private Sectors) registered under Companies Act, 1956 and specified under Schedule 1 of the Industries (Development and Regulations) Act` 1951 are covered within the purview of BIFR. It specifically excludes:

- (i) Ancillary industrial undertakings;
- (ii) Small scale industrial undertakings and;
- (iii) Companies which have not completed five years of existence after their incorporation under the Companies Act, 1956.

As regards Sick industrial undertaking, of the Government/Semi Government Sector, it may be noted that since 1987, so far 94 Central PSUs and 126 State Government owned PSUs, registered themselves as sick industrial undertaking under Section 15 of the SICA 1985 for Revival, Rehabilitation or Closure.

The BIFR does not deal with any sort of grants/financial assistance to sick industries.

However, the outcome/of the Revival/ Rehabilitation measures undertaken in respect of Sick Industrial Undertaking of the Government/Semi-Government Sector is as under:

- (i) Companies turned Net worth +ve 30
- (ii) Declared No Longer Sick 24
- (iii) Rehabilitation Scheme Sanctioned 25
- (iv) Draft Scheme 2
- (v) FaHed & Reopened 1
- (vi) Remanded by AAIFR 2
- (vii) Stayed by AAIFR 1
- (viii) Declared sick/ DRS Awaited 22
- (ix) pending determination of sickness 1
- (x) Dismissed as Non maintainable 45

(ix) Abated	6
(xii) winding up ordered	61

Total	220
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