

Repeal of SICA

2065. SHRI GURUDAS DAS GUPTA:
SHRI GAYA SINGH:
SHRI DIPANKAR
MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item under caption "'Centre ready with SICA repeal note" which appeared in the Statesman, dated 22nd February, 2000;

(b) if so, the details thereof and the reasons therefor;

(c) whether Government are aware of the concern of the workers over the future of the 1005 units employing 15 lakh workers currently under the purview of BIFR/AAIFR;and

(d) the specific steps taken by Government with regard to the revival of the above units in case of repeal of SICA?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Yes, Sir. Government is presently evaluating functioning of BIFR and operation of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with a view to find out ways to tackle the problem of Industrial sickness in a more effective manner.

Abolition of BIFR

2066. SHRI PRAFULL GORADIA: Will the Minister of FINANCE be pleased to state:

(a) whether the purposes for which Government set up the BIFR have been achieved;

(b) if so, whether Government have any data in its possession to show the number of companies that have become viable and are functioning well after they approached the BIFR;

(c) whether Government would like to abolish this institution so that it is not used as an umbrella for the unscrupulous elements in industry; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Board for Industrial and Financial

[14 March, 2000]

RAJYA SABHA

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. However, BIFR mechanism has not been completely successful to effectively tackle the problem of industrial sickness. Major reasons for this inter-alia include restrictive definition of sickness, excessive protection to 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 had approved/sanctioned 616 and 27 rehabilitation schemes respectively.

(c) and (d) The review of BIFR and SICA is contemplated with a view to find out ways to tackle the problem of Industrial sickness in a more effective manner.

Amount of Outstanding Investment

2067. SHRI PRAFULL GORADIA: Will the Minister of FINANCE be pleased to state:

(a) what is the total amount of investment outstanding as on 31 st November, 1999 of nationalised banks and other financial institutions like IDBI, IFCI, LIC, GIC and UTI;

(b) the amount of investment at (a) above, how much is invested in Government of India's long term securities of one year and above; and

(c) what is the total amount of annual interest earned in 1998-99 by the above organisations from the investments made in the Central Government securities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) As reported by the Reserve Bank of India (RBI) and Industrial Development Bank of India (IDBI) the total amount of investment outstanding as on 31st March, 1999 of nationalised banks and other financial institutions are Rs. 485196.04 crores.