

Escape route through BIFR

2202. SHRI T.N. SEEMA : Will the Minister of FINANCE be pleased to state:

(a) whether Government has received any complaints against any promoters who have referred their companies to Board for Industrial and Financial Reconstructions (BIFR) so as to find an escape route by forcibly making the net worth negative by creative accounting, writing off fixed assets, writing off debtors and so on resulting in losses to creditors and mounting NPAs of banks;

(b) if so, the details thereof;

(c) the number of cases pending as on date with BIFR registered during 1998 to 2000, State-wise and name of the companies;

(d) whether the rate of disposal of case in the BIFR is very slow; and

(e) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) Under the Sick Industrial Companies (Special Provisions) Act, 1985, only sick companies can approach the Board for Industrial and Financial Reconstructions (BIFR) for appropriate financial reconstruction. Under the procedure specified under the Act, Board examines such proposals ensuring that only genuinely sick companies have recourse to BIFR mechanism. BIFR is deemed to be a civil court and every proceeding before it is a judicial proceeding as per Section 14 of Act, 1985.

(c) As on dated 160 sick companies who have been registered in years 1998, 1999 & 2000 are currently under the purview of BIFR. Details (State-wise and the name of the companies) can be seen at www.bifr.nic.in.

(d) and (e) On an average, 218 references are disposed off each year and Rehabilitation Schemes for 60 sick companies are sanctioned annually. Hence, it is not correct to say that the rate of disposal of case in BIFR is very slow.

Disposal of pending revenue related cases

2203. SHRI PARSHOTTAM KHODABHAI RUPALA :
SHRI MANSUKH L. MANDAVIYA :

Will the Minister of FINANCE be pleased to state:

(a) whether Central Government in coordination with State Governments are going to launch a special programme for disposal of long pending revenue related