

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

cases in various Tribunals and Courts, as huge amount of Government revenue is stuck-up since very long time;

(b) whether Government intends to launch fast tract courts and tribunal for early disposal of these cases; and

(c) the action that has been taken by Government on recommendation of SEBI to establish fast-track courts for judicial process of scams in financial markets?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) : (a) Presently, there is no proposal under consideration of this Ministry to launch a special programme for disposal of pending revenue related cases (pertaining to central taxes) in various Tribunals and Courts.

(b) and (c) Presently, there is no such proposal is under consideration of this Ministry.

Public platfom using by CAG

2204. SHRI SHANTARAM NAIK : Will the Minister of FINANCE be pleased to state:

(a) the legislations, rules and regulations which govern the functioning of Comptroller and Auditor General of India;

(b) whether a Comptroller and Auditor General of India can use a public platform to criticise Government for their actions and policies; and

(c) if so, the authority of Law under which a CAG is entitled to do so?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) Articles 148 to 151 of the Constitution of India and Sections 10 to 26 of the Comptroller and Auditor General's (Duties, Powers and Condition of Service) Act, 1971 regulate the functioning of the Comptroller and Auditor General of India.

(b) and (c) The CAG of India conducts Financial, Compliance and Performance Audits and the important findings of audit are reported in Audit Reports of the CAG that are, as per article 151 of the Constitution of India submitted to the President/ Governor to be laid before the Houses of Parliament/State Legislature(s). The report once laid, are in public domain and accessible to public. The CAG of India has issued guidelines for interface with media on the observation contained in the Audit Reports to facilitate, dissemination of information, after the reports enter the public domain.