

Industrial Sickness

7.47 Since its inception in May 1987 till the end of September 2006, the Board of Industrial and Financial Reconstruction (BIFR) received 6,991 references under the Sick Industrial Companies (Special Provision) Act (SICA), 1985 (Table 7.13). These references included 296 references from CPSUs and State PSU (SPSUs).] With 6,991 references received, 5,412 were registered under section 15 of SICA. 1,707 were dismissed as non-maintainable under the Act. 760 rehabilitation schemes, including 12 by Appellate Authority of Industrial and Financial Reconstruction (AAIFR)/Supreme Court, were sanctioned and 1,303 companies were recommended to be wound up. 485 companies have been declared

'no longer sick' and were discharged from the purview of SICA on their net worth turning positive after the implementation of the schemes.

7.48 Among the 296 references for PSUs, 213 (91 CPSUs and 122 SPSUs) were registered up to September 30, 2006. Rehabilitation schemes were sanctioned for 28 CPSUs and 26 SPSUs. It was recommended that 29 CPSUs and 40 CPSUs be wound up. 9 CPSUs and 14 SPSUs were declared 'no longer sick'. As on March 31, 2002, 2003, 2004 and 2005 the gross disposal of cases was, 2,400, 2,867, 3,318 and 3,426, respectively. In the current year, the gross disposal of cases, as on September 30, was 4,115.

Table 7.13 : References to BIFR as on September 30, 2006

Sl. No.	Status	Private	Central PSUs	State PSUs	Total PSUs	Total
1	References received	6,695	108	188	296	6,991
2	Registration declined	1,484	17	66	83	1,567
3	Under Scrutiny	12	0	0	0	12
A	References registered (=1-2-3)	5,199	91	122	213	5,412
DISPOSALS						
5	Dismissed					
	(i) as non-maintainable	1,660	11	36	47	1,707
	(ii) as multiple registered	218	0	0	0	218
6	Rehabilitation schemes approved/sanctioned					
	(i) by BIFR	695	27	26	53	748
	(ii) by AAIFR/SC	11	1	0	1	12
7	Declared on longer sick out of SI No. 6	462	9	14	23	485
8	Winding up recommended to the concerned high courts	1,234	29	40	69	1,303
9	Dropped now	119	5	3	8	127
B	Total (5+6+8+9)	3,937	73	105	178	4,115
PENDING						
10	Draft schemes circulated	42	2	0	2	44
11	Winding up notice issued	85	1	4	5	90
12	Pending for sickness determination	357	2	1	3	360
13	Declared sick	678	11	10	21	699
14	Schemes failed and reopened	8	1	0	1	9
15	Pending cases remanded by AAIFR	43	1	2	3	46
16	Stay ordered by courts	46	0	3	3	49
Total (C=A-B)		1,262	18	17	35	1,297
Source: BIFR, Department of Economic Affairs, Ministry of Finance						