

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1286
ANSWERED ON:08.03.2002
SICK COMPANIES
GORDHANBHAI JAVIA

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have defined the criteria for declaring a company sick;
- (b) if so, the deciding factors in this regard;
- (c) the State-wise number of companies declared sick during the current year; and
- (d) the steps taken by the Government for their revival?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) and (b) The Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) defines a sick industrial company as an industrial company which has, at the end of any financial year, accumulated losses equal to or exceeding its entire net worth. The criteria to determine the sickness in an industrial company is that the company should have completed five years of existence after incorporation, employed more than 50 or more workers on any day of the 12 months preceding the end of financial year with reference to which sickness is claimed and should have a factory.

(c) and (d) During the calendar year 2001, cases of 463 sick companies were registered with Board for Industrial and Financial Reconstruction (BIFR) under the provisions of SICA. A State-wise list is enclosed as statement.

In the case of sick industrial companies registered with BIFR, wherever feasible, rehabilitation schemes are sanctioned for the revival of these companies by various methods including restructuring of the capital, induction of fresh funds by the promoters, including Govt. for public sector units, merger with other companies, change of management, reliefs and concessions by financial institutions, banks and Central and State Govts. by way of rescheduling of loans etc.

Statement

State-wise list of Companies Declared Sick 1-1-2001 to 31-12-2001

Sl. No. State No. of Cases

1. Andhra Pradesh 31
2. Bihar 3
3. Chandigarh 1
4. Dadra & Nagar Haveli 4
5. Goa 3
6. Gujarat 47
7. Haryana 10
8. Himachal Pradesh 1
9. Jharkhand 2
10. Kerala 6
11. Karnataka 14
12. Madhya Pradesh 19
13. Maharashtra 119
14. NCT Delhi 42
15. Nagaland 1
16. Orissa 1
17. Pondicherry 2
18. Punjab 29
19. Rajasthan 15
20. Tamilnadu 55
21. Uttar Pradesh 28
22. Uttaranchal 1
23. West Bengal 26

24. Assam 3
Total 463