

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2431
ANSWERED ON:23.07.2004
WINDING OF BIFR
Das Gupta Shri Gurudas

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to wind up Board for Industrial and Financial Reconstruction (BIFR);
- (b) if so, the details thereof alongwith the reasons therefor; and
- (c) the Department/Agency that would take over the work being performed by BIFR so far?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) : Yes, Sir.

(b) : The Sick Industrial Companies (Special Provisions) Repeal Act, 2003, (Act 1 of 2004) provides for winding up of the Board for Industrial and Financial Reconstruction (BIFR). The deficiencies noticed in the operation of SICA, inter-alia, included:

- i) Restrictive definition of sickness;
- ii) Sflow pace of BIFR intervention; and
- iii) Delays in winding up of sick companies .

(c): The Companies (Second Amendment) Act, 2002 provides, inter-alia, for setting up of the National Company Law Tribunal under the Ministry of Company Affairs.