

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:352  
ANSWERED ON:17.03.2006  
PENDING CASES IN BIFR  
Ananth Kumar Shri

**Will the Minister of FINANCE be pleased to state:**

- (a) the criteria fixed for referring of cases to the Board for Industrial and Financial Reconstruction (BIFR);
- (b) the number of cases referred to BIFR during each of the last three years;
- (c) the number of cases on which decision has been taken by the Government during the last three years, year-wise;
- (d) whether a large number of cases referred to BIFR are pending for approval from the Government;
- (e) if so, the details thereof alongwith the reasons therefor; and
- (f) the action proposed to be taken by the Government to clear the backlog and the time frame by which it would be cleared?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT PLACED ON THE TABLE OF LOK SABHA EN IRE-PLY TO PARTS (A) TO (F) OF LOK SABHA STARRED QUESTION NO.352 FOR ANSWER ON 17 MARCH, 2006 REGARDING 'PENDING CASES IN BIFR' TABLED BY SHRI ANANTH KUMAR.

(a) The criteria fixed under the Sick Industrial Companies (Special Provisions) Act, 1985 for referring of cases to the Board for industrial & Financial Reconstruction (BIFR) are as follows:-

- (i) Networth should be eroded by accumulated losses. (100% erosion of the networth).
  - (ii) Should be manufacturing unit as per 1st schedule of Industrial Development and Regulation Act, 1951.
  - (iii) The company must have completed 5 years from the date of incorporation.
  - (iv) Should not be a Small Scale Industry or Ancillary Unit.
  - (v) Should have 50 or more workers employed in the factory.
  - (vi) Should have a valid factory licence.
  - (vii) Should have an Industrial licence/Industrial Entrepreneur Memorandum (IEM) Acknowledgement.
  - (viii) Should have the certificate of incorporation.
  - (ix) The financial assets of the company should not have been acquired by any securittsation company or reconstruction company under sub-section (1) of Section 5 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- (b): The number of cases registered with the BIFR during the calendar years 2003, 2004 and 2005 are 430, 399 and 180, respectively.
- (c): The proceedings before BIFR are in the nature of Judicial proceedings under the Sick Industrial Companies (Special Provisions) Act, 1935 and cases are not referred to the Government by BIFR for any decision.
- (d), (e) & (f): Do not arise.