

Industrial sickness

7.46 Since its inception in May 1987 till the end of August 2005, the Board for Industrial and Financial Reconstruction (BIFR) received 6,775 references under the Sick Industrial Companies (Special Provision) Act (SICA), 1985 (Table 7.20). These references included 295 references from Central and State PSUs (CPSUs and SPSUs). Out of the references received, 5,300 references were registered under section 15 of SICA. 1,987 references were dismissed as non-maintainable under the Act; 637 rehabilitation schemes, including 218 by Appellate Authority for Industrial and Financial Recommendation (AAIFR) or Supreme Court (SC), were sanctioned; and 1,306 companies were recommended to be

wound up. 385 companies were declared 'No longer sick' and were discharged from the purview of SICA on their net worth turning positive after the implementation of the schemes. Among the 295 references for PSUs, 211 (90 CPSUs and 121 SPSUs) were registered up to August 2005. Rehabilitation schemes were sanctioned for 25 CPSUs and 20 SPSUs. It was recommended that 31 CPSUs and 41 CPSUs be wound up. 6 CPSUs and 11 SPSUs were declared 'no longer sick'. As on March 31, 2001, 2002, 2003 and 2004 the gross disposal of cases was 2160, 2400, 2867 and 3318, respectively. In the current year, the gross disposal of cases, as on August 30 was 3,762.