

Industrial Sickness

47. Primary responsibility for tackling problems of industrial sickness is vested in the Board for Industrial and Financial Reconstruction (BIFR). Since its inception in May 1987, BIFR has received 3148 references till March 31, 1998. Over the period January 1997 to March 1998, the Board received 449 references. In the same period 294 cases were registered. Out of 215 references received from Central and State Public Sector Undertakings, 152 cases have been registered till 31st March, 1998. The Board has sanctioned rehabilitation schemes for 21 Central Public Sector Undertakings (CPSUs) and for 27 State Public Sector Undertakings (SPSUs). 10 CPSUs and 17 SPSUs have been recommended for winding up.

48. BIFR disposed of 220 cases between January 97 and March 1998. Table 7.14 gives the status relating to Private and Public Sector Undertakings registered with BIFR as on 31.3.1998.

49. The RBI has been guiding commercial banks in matters of early detection of sickness and rehabilitation of sick units on a priority basis. It has constituted a standing co-ordination committee for considering issues relating to co-ordination among banks, financial institutions and the State/Central Governments. A Bill was introduced in the Parliament during the last Budget Session to replace the Sick Industrial Companies (Special Provisions) Act, 1985. It aimed at improving efficiency in the functioning of the Board and speedy disposal of the cases before it.

	Total	Private Sector	Public Sector	
			Central PSUs	State PSUs
1. References Received	3148	2933	80	135
2. Registration declined	969	907	14	48
3. Under scrutiny	34	33	1	0
4. References registered	2145	1993	65	87
5. Dismissed as non-maintainable	425	395	5	25
6. Rehabilitation schemes approved/sanctioned	625	577	21	27
7. Winding up recommended to High Courts	579	552	10	17
8. Draft schemes circulated	29	21	6	2
9. Winding up notice issued	37	31	4	2
10. Under inquiry	323	299	14	10
11. Schemes failed and reopened	29	26	2	1
12. Pending cases remanded by AAIFR	24	22	1	1
13. Stay ordered by Courts	49	46	1	2
14. Schemes by AAIFR/Court	26	26	0	0
15. Networth became positive during inquiry	25	24	1	0
16. Declared no longer sick	202	197	2	3

Note: The figures given at S.No.6 includes figures given at S.No.14