

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3392
ANSWERED ON:20.08.2004
MISAPPROPRIATION OF FUNDS BY M/S ISPAT INDUSTRIES
Ahmad Shri Ateeq

Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) whether the Serious Fraud Investigation Office (SFIO) has slowed the process of investigation into alleged misappropriation of funds by M/s Ispat Industries;
- (b) if so, the reasons therefor and the outcome of the investigation done so far; and
- (c) the steps taken by the Government to check further erosion of the net capital of the company?

Answer

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

- (a) & (b) No, Sir. The matter is subjudice.
- (c) The value of the net capital of a company is a function of its management practices and financial soundness.