

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1616
ANSWERED ON:10.12.2004
DEFAULTED COMPANIES
Deora Shri Milind Murl

Will the Minister of FINANCE be pleased to state:

- (a) the number of defaulting companies failing to fulfill their obligations to various banks and financial institutions;
- (b) if so, the details thereof alongwith the amount involved during the last three years, State-wise;
- (c) whether SEBI is aware of this fact;
- (d) if so, whether investors were informed accordingly so as to protect them from loss;
- (e) whether instances of such company inflating their shares have come to the notice of Government/SEBI; and
- (f) if so, the action taken by the Government against them?

Answer

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

(a) to (f) : The numbers of suit filed accounts in which the sum to be recovered is Rs. 1 crore and above and suit filed accounts of wilful defaulters in which the sum to be recovered is Rs. 25 lac and above are given in Annexure I and Annexure II respectively. However, in accordance with the practices and usages customary amongst the banks and in conformity with provisions of statutes governing the financial institutions as also the provisions of the Public Financial Institutions (obligations as to Fidelity and Secrecy) Act, 1983, the information sought cannot be divulged.