

**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**RAJYA SABHA**  
**QUESTION NO 09.11.2010**  
**ANSWERED ON**  
**USE OF SERVICES OF SFIO**

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Shri Rajeev Chandrasekhar

Will the Minister of COALCOALCOALCOALFINANCE be pleased to state :-

(a) whether it is a fact that the Hon`ble Supreme Court of India has suggested using services of the Serious Frauds Investigation Office (SFIO) to recover more than one lakh crore rupees from bank defaulters;

(b) if so, the details thereof and

(c) what steps Government has taken on the suggestion of the Apex Court of the country?

**ANSWER**

The Minister of State in the Ministry of Finance

(Shri Namo Narain Meena)

(a)&(b): The Supreme Court vide its Judgment on Writ Petition (CivjfrNo.291 of 1998 dated August 18, 2010, inter alia, ordered that the Union Government must ensure that Serious Fraud Investigation Office (SFIO) is effective in detecting and preventing bank frauds by influential people. The Committee of Experts constituted under the Chairmanship of Shri Vepa Kamesam, Ex-Deputy Governor of RBI would suggest effective measures, legislative or administrative, to ensure that bank frauds are prevented in future and the Non-performing Assets (NPAs) are kept to the minimum. The Apex Court observed that this Committee would consider the suggestion to make the SFIO (or any similar body) a statutory authority having sufficient powers and having the required autonomy to be able to effectively deal with the problems of bank frauds and NPAs.

(c): The Vepa Kamesam Committee submitted its Report to Ministry of Corporate Affairs. The Committee, inter-alia, recommended various measures for making SFIO more effective in containing corporate frauds. The Ministry of Corporate Affairs introduced the Companies Bill 2009 which was referred to Hon`ble Parliament Standing Committee on Finance and the recommendations of the expert Committee were also deliberated upon by Hon`ble Parliament Standing Committee on Finance.