

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 957
ANSWERED ON TUESDAY, THE 02ND DECEMBER, 2014**

INVESTIGATION OF CORPORATE FRAUDS

QUESTION

957. SHRI NARESH GUJRAL:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government is contemplating to form a separate agency to investigate corporate frauds;
- (b) if so, the details thereof;
- (c) the number of corporate frauds detected and investigated by the Serious Fraud Investigation Office (SFIO) and other investigative agencies during each of the last three years and the current year, organization-wise;
- (d) the number of convictions as a result thereof; and
- (e) the corrective measures adopted by Government to preclude recurrence of corporate frauds?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(a) & (b) There is already a separate agency, the Serious Fraud Investigation Office (SFIO) to investigate corporate frauds. It was set up through a Resolution dated 02.07.2003 to investigate corporate frauds of serious and complex nature.

(c) & (d) The number of Companies investigated by SFIO during the last three years and current year:

Year	No. of Companies
2011-12	20
2012-13	22
2013-14	22
2014-2015 (Till 15.11.2014)	17

Prosecutions are in progress in the appropriate Courts of Low.

- (e) Government has taken a number of measures to curb and prevent corporate frauds, including;
- (i) 'Fraud' as a substantive offence has been introduced in the Companies Act, 2013.
 - (ii) Statutory status to the Serious Fraud Investigation Office has been granted under the said Act.
 - (iii) Stricter norms of Corporate Governance and their implementation under the Companies Act, 2013.
 - (iv) Increasing application of technology for early detection of frauds through data analysis, surveillance and usage of forensic tools, etc.
