

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 575
ANSWERED ON FRIDAY, THE 26TH FEBRUARY, 2016
[PHALGUNA 07, 1937 (SAKA)]**

CORPORATE FRAUDS

QUESTION

**575. SHRI ADHIR RANJAN CHOWDHURY:
SHRI P. K. BIJU:
SHRI DUSHYANT CHAUTALA:**

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

- (a) whether the cases of fraud/illegal transaction and accounts by companies/ corporate houses have come to the notice of the Government during each of the last three years and the current year, if so, the details thereof, company-wise;
- (b) whether the Government has conducted any enquiry/investigation in this regard, if so, the details and the outcome thereof along with action taken by the Government against defaulters during the said period;
- (c) if not, the reasons therefor; and
- (d) the effective steps taken/being taken by the Government to check such financial/ corporate frauds in the country?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(a) to (c) From 2012-13 up to 31-01-2016 the Ministry has ordered investigations through Serious Fraud Investigation Office (SFIO) of this Ministry into the affairs of 258 companies allegedly indulging in fraudulent/ illegal activities. Of these, 116 investigations have been completed and reports submitted to the Ministry, while in 08 cases, investigations have been stayed by the Courts. Further, out of the completed investigations, Ministry has ordered filing of prosecutions in 102 cases, against companies/ directors/ officers in default on account of various non-compliances/ offences committed under the Companies Act, 1956 and other Statutes, as recommended in the investigation reports.

(d) Steps taken by the Ministry include:

- the term "Fraud" has been defined in the Companies Act, 2013;
- Stricter norms of Corporate Governance and their implementation in the Companies Act, 2013;
- Statutory status to the Serious Fraud Investigation Office (SFIO);
- Increasing application of technology for early detection of frauds through data mining and Forensic Audit, etc.
