

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2218
ANSWERED ON MONDAY, THE 18th MARCH, 2013**

CORPORATE FRAUDS

QUESTION

2218. SHRI HUSAIN DALWAI:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the corporate frauds are on the rise in the country;
- (b) if so, the nature and magnitude of these frauds; and
- (c) the details of the steps taken by Government to prevent such frauds?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) (SHRI SACHIN PILOT)
IN THE MINISTRY OF CORPORATE AFFAIRS

(a) & (b) There is no verified information available to suggest that cases of corporate frauds are on the increase. However, any serious instance or complaint relating to diversion of funds, fudging of accounts and mismanagement is referred for investigation to the Serious Fraud Investigation Office. For violations/ contraventions of provisions of the Companies Act, 1956, necessary prosecutions are filed and for prosecutions under Indian Penal Code, complaints are filed in the jurisdictional courts.

(c) The Ministry has also evolved a system to generate Early Warning System to help in detection of frauds at an early stage.
