

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UN-STARRED QUESTION NO. 2842
TO BE ANSWERED ON MONDAY, AUGUST 07, 2023/SRAVANA 16,
1945(SAKA)
CORPORATE FRAUD CASES IN INDIA
QUESTION**

2842. SHRI HASNAIN MASOODI:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether around 66 per cent of Indian companies have experienced at least one instance of economic crime since FY 2021;**
- (b) if so, the details thereof;**
- (c) the steps taken by the Government regarding the rising number of corporate fraud cases in India;**
- (d) whether the Government is taking measures to crack down on the corporate fraudsters;**
- (e) if so, the details thereof and if not, the reasons therefor;**
- (f) whether any guidelines have been laid by the Government to protect the investors from the financial losses caused by corporate fraud; and**
- (g) if so, the details thereof?**

ANSWER

Minister of State (Independent Charge) of the Ministry of Statistics and Programme Implementation; Minister of State (Independent Charge) of the Ministry of Planning and Minister of State in the Ministry of Corporate Affairs.

(Rao Inderjit Singh)

(a) and (b): No, such data is maintained with the Ministry of Corporate Affairs (MCA).

(c), (d) and (e): With regard to fraud committed by companies, whenever any complaint or reference regarding fraud is received and after due examination, investigations are ordered under section 210 or 212 of the

Companies Act, 2013 against the company to be carried out by Regional Directors (RDs) or Serious Fraud Investigation Office (SFIO). In the last three years (2020-21 to 2022-23) the MCA has ordered investigations of 410 companies to be conducted by the Regional Directors (RDs) and 260 companies by the Serious Fraud Investigation Office (SFIO).

(f) and (g) : Yes Sir. Investor Education and Protection Fund Authority (IEPFA) has been established under sub-section (5) of Section 125 of Companies Act, 2013 for promotion of Investors' education, awareness and protection.

IEPFA organizes Investor Awareness Programmes, State-Level Conferences, Tele Lecture Series on IGNOU Gyandarshan TV channel; talks and telecasts of informative audio-visual content through All India Radio, Prasar Bharti (Sansad TV & Doordarshan). In addition, Social Media handles are also being utilized to educate investors about financial literacy.

IEPFA has deployed 55 mobile vans named "Niveshak Saarthi" across 19 states in the country. These vans serve as Investor Education Hubs, spreading awareness about essential financial aspects among the public and "Niveshak Didi" has been launched to promote Investor Education amongst women investors in rural village through women Gramin Dak Sevak (GDS)

IEPF Authority also conducts various state level conferences aimed to educate and protect investors. Last such conference titled "Financial Literacy in Amrit Kaal – Empowering Investors" was held in Aizawl, Mizoram in the month of February 2023. In addition, investor awareness activities and programmes are conducted by other agencies as well, such as Securities and Exchange Board of India (SEBI).
