

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1126
ANSWERED ON:24.10.2008
FINANCIAL RESULTS OF COMPANIES
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Will the Minister of FINANCE be pleased to state:

- (a) whether many companies listed on domestic stock exchanges have forged their financial results as reported in the Times of India dated 23 September,2008;
- (b) if so,the facts in the matter;
- (c) the action taken against such companies;and
- (d) further steps taken to be taken by the Government to check such incidents in future to protect the interests of investors?

Answer

MINISTER OF STATE FOR FINANCE (SHRI P.K. BANSAL)

(a to d): In the Times of India dated September 23,2008,an article titled `1200 listed companies forged accounts: Study` mentioned,inter-alia,that according to a report named `Early Warning Signals of Corporate Frauds` prepared by Indiaforensic Consultancy Services (ICS),a Pune-based organization, at least 1,200 companies listed on domestic stock exchanges have forged their financial results.

The Institute of Chartered Accountants of India (ICAI) has vide its Press Release dated 24th September 2008 stated that at no point of time,the ICAI has conducted any survey/study on the subject `Early Warning Signals of Corporate Frauds` either with ICS or with any other organization.

SEBI has brought the contents of the said article to the notice of the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and have advised them to look into the matter.