

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2455
ANSWERED ON:10.03.2011
CORPORATE FRAUDS
Sampath Shri Anirudhan

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government is aware that the number of corporate frauds are on the rise during the last three years;
- (b) the nature of punishment meted out and penalty imposed on the defaulters during this period; and
- (c) the action taken/proposed to be taken for prevention of corporate frauds?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI R.P.N. SINGH)

- (a) & (b) Any instance or complaint relating to diversion of funds, fudging of accounts and mismanagement is referred for investigation to the Serious Fraud Investigation Office. For the violations of the Companies Act, 1956, necessary prosecutions are filed and for violations of Indian Penal Code, complaints are filed in the jurisdictional courts.
- (c) The Ministry has devised Early Warning System to detect fraud at an early stage.