

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2776
ANSWERED ON:18.08.2011
CORPORATE FRAUDS
Khairi Shri Chandrakant Bhaurao

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government is aware that the corporate frauds are on the rise during the last three years;
- (b) if so, the details thereof;
- (c) the nature of punishment meted out and penalty imposed on the defaulters during this period; and
- (d) 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) and (b) There is no verified information available to suggest that the cases of corporate frauds are on the increase.
- (c) Number of prosecutions filed for the violations of the provisions of the Companies Act, 1956 for the last three years are as under:-

Year No. of prosecutions Total fine imposed

2007-08	17080	Rs 111.84 lakh
2008-09	13971	Rs 110.58 lakh
2009-10	9021	Rs 92.30 lakh

(d) Since 2006, this Ministry has implemented MCA-21, an e-Governance project, which has increased transparency as the data available in the public domain can be viewed by any person. The Ministry has also evolved a system generated 'Early Warning System' to help in detecting likely fraud at an early state. In the process of development of Early Warning System (EWS), the Ministry has identified certain Risk Parameters which can be run on the data available with the MCA, on financial statements furnished by the companies in e-forms developed by the Ministry.