

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2558

ANSWERED ON:29.03.2012

CORPORATE FRAUDS

Jagannath Dr. M.;Khaire Shri Chandrakant Bhaurao

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has taken note that the number of corporate frauds are on the rise during the last three years;
- (b) if so, the details of the Corporate Houses reported for fudging of accounts and financial results thereof;
- (c) the nature of punishment, meted out and penalty imposed on the defaulters during this period;
- (d) the action taken/proposed to be taken for prevention of corporate frauds;
- (e) whether the Government is contemplating to constitute regulatory authority keeping in view the rising number of cases of frauds in the corporate sector; and
- (f) if so, the details thereof?

Answer

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

(a) to (f) No verified information is available to suggest that cases of corporate frauds are increasing in the country. However, an elaborate regulatory framework is already in place under the Companies Act, 1956 as well as the regulations of other agencies like Securities and Exchange Board of India, Enforcement Directorate, Central Bureau of Investigation, etc. to deal with corporate frauds. The Government is empowered to inspect the books of accounts of the companies and also to investigate their affairs under the Companies Act, 1956. This Ministry has implemented MCA-21, e-Governance project which has increased the transparency as the data available in the public domain can be viewed by any person.