

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2461
ANSWERED ON:03.12.2009
CORPORATE FRAUDS
Majhi Shri Pradeep Kumar;Munda Shri Arjun

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the number of complaints/ cases of corporate frauds during the last three years and the current year;
- (b) the details of the companies against whom the Government has taken action;
- (c) whether the Government has set up an Investor Education and Protection Fund in the country; and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHID)

(a) The complaints against companies regarding fraud, financial irregularities etc. are received from various stakeholders. Based on findings of scrutiny of the complaints and involvement of public interest, investigation by Serious Fraud Investigation Office (SFIO) has been ordered in respect of thirty seven companies during last three years and five companies in the current year involving serious Corporate Frauds.

(b) Serious Fraud Investigation Office has filed prosecutions against the following companies during last three years and current year:

1. M/s. Shonkh Technologies International Ltd.
2. M/s. Shonkh Technologies Ltd.
3. M/s. Morepan Laboratories Ltd.
4. M/s. Satyam Computer Services Ltd.

(c)& (d) Investor Education and Protection Fund (IEPF) has been set-up under Section 205C of the Companies Act, 1956 by way of the Companies (Amendment) Act, 1999. As per the Act, the following amounts, which have remained unclaimed and unpaid for a period of seven years from the date they

- a. amounts in the Unpaid dividend accounts of companies;
- b. the application moneys received by companies for allotment of any securities and due for refund;
- c. matured deposits with companies;
- d. matured debentures with companies;
- e. the interest accrued on the amounts referred to in clauses (a) to (d) above;
- f. grants and donations given to the Fund by the Central Government, State Governments, companies or any other institutions for the purposes of the Fund; and
- g. the interest or other income received out of the investments made from the Fund;

The Fund is utilized for promotion of investors' awareness and protection of the interest of investors.