

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2510

ANSWERED ON:25.07.2014

CORPORATE FRAUDS

Puttaraju Shri C.S.;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has setup/proposes to setup a new intelligence unit to detect corporate frauds at the earliest possible stage;
- (b) if so, the details thereof along with the time by which the unit is likely to be operational;
- (c) the number of corporate frauds detected along with the amount involved therein and investigated by the Serious Fraud Investigation Office (SFIO) during each of the last three years and the current year, organization-wise;
- (d) the number of such fraud cases settled by SFIO during the said period; and
- (e) the corrective steps taken/being taken by the Government to keep a check on recurrence of such corporate frauds?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SMT. NIRMALA SITHARAMAN)

(a) & (b) A Market Research and Analysis Unit (MRAU) has been set up in the Serious Fraud Investigation Office (SFIO) with the objectives of analyzing media reports relating to financial frauds and for conducting market surveillance of such corporates. In order to strengthen MRAU's functioning, an Expert Committee was constituted and on the basis of its recommendations a forensic lab with appropriate technology and skilled technical manpower has been set up in SFIO.

(c) During 2011-12, 2012-13 & 2013-14 and during the current financial year, i.e. from 01-04-2014 to 30-06-2014, SFIO has completed investigations in 78 cases. In these investigations, frauds amounting to Rs 10,818 crore involving 31 companies has been detected.

(d) SFIO files complaints in the court and has no power to settle cases on its own.

(e) It is the continuous endeavour of the Government to upgrade skills, systems and knowledge through improved coordination mechanisms with other investigating agencies to deal effectively with corporate frauds.