GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2510
ANSWERED ON FRIDAY, THE 25TH JULY, 2014
[SHRAVANA 3, 1936 (SAKA)]

CORPORATE FRAUDS

QUESTION

2510. SHRI JYOTIRADITYA M. SCINDIA:
SHRI C.S. PUTTA RAJU:

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

(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.

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