

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA
QUESTION NO 07.03.2011
ANSWERED ON

EARLY WARNING SYSTEM FOR PREVENTION OF FRAUDS .

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Shri A. Elavarasan

Will the Minister of CORPORATE AFFAIRS be pleased to state :-

(a) whether the Ministry is preparing an early warning system, a software that will help analyze and detect misconduct or fraud at an early stage to prevent recurrence of corporate frauds;

(b) if so, the details thereof;

(c) whether this effective technology would cover all the Indian companies and provide online access to public on all documents filed by the companies; and

(d) if so, the details thereof?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI MURLI DEORA)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN ANSWER TO RAJYA SABHA STARRED QUESTION NO 154 FOR 7-3-2011 REGARDING EARLY WARNING SYSTEM FOR PREVENTION OF FRAUDS

(a) & (b) Yes, Sir. The Ministry has developed an 'Early Warning System' to help in detecting fraud at an early state. In the process of development of Early Warning System (EWS), the Ministry has identified 10 Risk Parameters which can be run on the data available with the MCA.

(c) & (d) This system covers all companies whose paid up capital exceeds Rs 5 crore. The documents filed by a company with the MCA as part of its records are available for inspection by public under Section 610 of the Companies Act, 1956 on payment of fees.