

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 4944  
ANSWERED ON FRIDAY, THE 16<sup>TH</sup> DECEMBER, 2016  
[AGRAHAYANA 25, 1938 (SAKA)]**

**EARLY WARNING SYSTEM TO DETECT FRAUD**

**QUESTION**

**4944.       SHRIMATI RAMA DEVI:  
              SHRI HARIOM SINGH RATHORE:  
              SHRI RAM CHARAN BOHRA:  
              SHRI BADRUDDIN AJMAL:**

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

- (a)    whether the Government has devised an early identification and pre-intimation/ warning system to detect fraud in the country;**
- (b)    if so, the details thereof along with the effectiveness of this system;**
- (c)    whether any scheme exists facilitating rehabilitation/compensation to the affected people/victims of such fraudulent companies; and**
- (d)    if so, the details thereof and if not, the reasons therefor?**

**ANSWER**

**THE MINISTER OF STATE IN THE                               (SHRI ARJUN RAM MEGHWAL)  
MINISTRY OF CORPORATE AFFAIRS**

**(a) & (b):    Serious Fraud Investigation Office (SFIO) of this Ministry is in the process of developing 'Early Warning System' (EWS) for early identification and pre-intimation/ warning system to detect financial frauds in the country. For this purpose, services of a consulting agency have been engaged to develop the conceptual framework. The development of EWS is an iterative process. The system will show results after the framework under development stabilises.**

**(c) & (d):    There is no scheme in existence for facilitating rehabilitation/ compensation to the affected people/ victims under the provisions of Companies Act, 2013.**

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