

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 959  
ANSWERED ON MONDAY, 02ND DECEMBER 2024  
AGRAHAYANA 11, 1946 (SAKA)**

**Establishment of SFIO in View of Elevated Corporate Frauds**

**959. Shri Shyamkumar Daulat Barve:**

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

- (a) whether the Government has taken note of the increasing number of corporate frauds in the country.**
- (b) if so, the details thereof and the action taken by the Government;**
- (c) whether the Market Research and Analysis Unit (MRAU) has been established in the Serious Fraud Investigation Office (SFIO) with a view to improve the corporate sector regulatory system;**
- (d) if so, the action taken by the Unit on such cases including the number of serious fraud cases, State-wise; and**
- (e) the number of the persons against whom charges have been proved and the action taken by the Government against the accused in serious fraud cases?**

**ANSWER**

**Minister of State in the Ministry of Corporate Affairs; Minister of State in the Ministry of Road Transport and Highways.**

**(Shri Harsh Malhotra)**

**(a) & (b) : The Ministry of Corporate Affairs takes action on corruption frauds as defined under the Companies Act, 2013 and as per procedure laid out therein. Investigation in matter of serious frauds are assigned to the Serious Fraud Investigation Office (SFIO) under Section 212 of the Companies Act, 2013. In the last 3 years (01.04.21 to 31.10.24), investigation in 36 cases have been assigned to SFIO. The Investigations to SFIO is directed by the Central Government on the basis of report of the Registrar or Inspector or on receiving intimation of a special resolution passed by the Company or in public interest or on the request of any Department of the Central Government or State Government.**

**(c) & (d) : Market Research and Analysis Unit (MRAU) was set up in Serious Fraud Investigation Office (SFIO) vide O.M. No. 35011 I/27/2009-AD.III dated 20<sup>th</sup> August 2009 in New Delhi only, with following objectives:-**

- i. Repository of information;**
- ii. Improving investigation skills;**
- iii. Adoption of best practices;**
- iv. Co-ordination with other investigative agencies.**

**MRAU carries out activities including analysis of the complaints received against the corporates for fraudulent activities.**

**(e) : In the last 3 years, on the basis of the investigations conducted, SFIO has filed 41 cases for violation of various provisions of the Companies Act, 2013 against 1,135 persons, which are sub judice. Further, 54 cases have also been disposed off out of which 25 cases have resulted in convictions (including compounding).**

**\*\*\*\*\***