

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
STARRED QUESTION NO. 99
ANSWERED ON FRIDAY, THE 22ND JULY, 2016
[ASHADHA 31, 1938 (SAKA)]**

CORPORATE FRAUDS

QUESTION

***99. SHRI LAXMAN GILUWA:
SHRI RAM TAHAL CHOUDHARY:**

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

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- (a) whether Market Research and Analysis Unit (MRAU) has been set up in the Serious Fraud Investigation Office (SFIO) with the objective of revamping corporate sector regulatory system;**
- (b) if so, the details thereof along with the cases of serious frauds unearthed by this Unit;**
- (c) the action taken by the Government so far in these cases;**
- (d) the number of persons against whom allegations have been proved and the details of the action taken against the accused; and**
- (e) the other measures taken/ being taken by the Government to check recurrence of serious corporate frauds?**

ANSWER

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY)

(a) to (e) A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE
STARRED QUESTION NO. 99 FOR ANSWER IN LOK SABHA ON 22-07-2016**

(a) to (d) Market Research and Analysis Unit (MRAU) was set up with the following objectives:

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

MRAU prepares research reports based on information received from various resources. MRAU has submitted 5 reports covering 196 companies during 2015-16, to the Ministry of Corporate Affairs. Investigation has been ordered involving 16 companies.

(e) Government has taken a number of measures to check recurrence of corporate frauds:

- (i) 'Fraud' as a substantive offence has been introduced in the Companies Act, 2013.**
- (ii) Statutory status to the Serious Fraud Investigation Office has been granted under the said Act.**
- (iii) Stricter norms of Corporate Governance and their implementation under the Companies Act, 2013.**
- (iv) Increasing application of technology for early detection of frauds through data analysis, surveillance and usage of forensic tools, etc.**
