

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 4521
ANSWERED ON FRIDAY, THE 12TH AUGUST, 2016
[SHRAVANA 21, 1938 (SAKA)]**

MECHANISM TO CHECK IRREGULARITIES

QUESTION

**4521. SHRI SUMAN BALKA:
SHRI ANTO ANTONY:
DR. SWAMI SAKSHIJI MAHARAJ:**

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

- (a) whether the Government has inspected/investigated the companies found guilty of alleged irregularities during the last three years and if so, the details thereof, company-wise;**
- (b) whether the Government has taken steps including suitable amendments the relevant laws to effectively keep a check on the frauds/irregularities practiced by such companies with the investors and if so, the details thereof;**
- (c) whether the Government proposes to introduce a new investigation mechanism for companies functioning in the country; and**
- (d) if so, the details thereof along with the salient features of the proposed mechanism?**

ANSWER

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

(a) Yes, Madam. As per table below:

Year	Inspection reports	Investigation reports
2013-14	44	23
2014-15	34	40
2015-16	31	63

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(b) Government has taken the following measures to curb and prevent 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) Application of technology for early detection of frauds through data analysis, surveillance and usage of forensic tools, etc.**

(c) and (d) Presently, there is no proposal to review the existing investigation mechanism under the Companies Act, 2013.
