

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 3605  
ANSWERED ON MONDAY, THE 29<sup>th</sup> APRIL, 2013**

**INSPECTION OF FRAUDULENT COMPANIES**

**QUESTION**

3605. SHRI K. C. TYAGI:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government has conducted inspection of companies which were found to have indulged in irregularities;
- (b) if so, the names of such companies inspected after receiving complaints against them during the last five years; and
- (c) the steps taken by Government, including amendment of the laws, if any, to keep effective check on frauds/irregularities committed by companies against the investors?

**ANSWER**

THE MINISTER OF STATE (INDEPENDENT CHARGE)  
IN THE MINISTRY OF CORPORATE AFFAIRS

(SHRI SACHIN PILOT)

(a) & (b) Yes, Sir. During last five years i.e. from 2008-09 to 2012-13, 782 inspection reports in respect of companies were received in the Ministry. Based on the findings in the inspection reports, penal actions have been taken against the companies and their directors/officers in default for violation of various provisions of the Companies Act, 1956.

(c) The Ministry has taken following steps to keep effective check on frauds/ irregularities committed by companies:

- (i) An Early Warning System has been devised to generate alerts on the basis of certain parameters;
- (ii) Market Research and Analysis Unit has been set up in the Serious Fraud Investigation Office; and
- (iii) Certain class of companies have been mandated to file their balance sheets in Xtensible Business Reporting Language (XBRL) mode for analysis of data and generation of alerts on the basis of certain parameters.

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