

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:42

ANSWERED ON:19.11.2009

VIGILANT SYSTEM FOR CORPORATE FRAUDS

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Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has embarked on a new vigilant system to track corporate frauds;
- (b) If so, the details thereof;
- (c) whether regional directorates and registrar of companies are also engaged in tracking suspect companies; and
- (d) the steps taken by the Government for further strengthening the MCA21 programme?

Answer

THE MINISTER OF CORPORATE AFFAIRS(SHRI SALMAN KHURSHID)

(a), (b) & (c) Based on the data available in MCA-21, Government have identified a set of risk factors to generate alerts about serious non-compliances or unusual state of affairs of a company. These alerts relates to related party transactions, non-payment of deposits, etc. The Registrars of Companies and the regional directorates, have been involved in this exercise.

(d) Strengthening of MCA-21 System is an on-going exercise and steps are taken on regular basis to update and modify the system according to requirements.