

- (vi) Time bound approvals through National Company Law Tribunal (NCLT);
- (vii) Summary liquidation process for a class of companies provided.

Corporate frauds

1723. SHRI D. RAJA:

SHRI M.P. ACHUTHAN:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to a study report by Thought Arbitrage Research Institute (TARI) revealing that the scale and size of corporate frauds in the country has zoomed in the last 15 years with half the cases of fraud dealing with siphoning of funds by promoters/top management and defrauding the lenders; and

(b) if so, the details of the findings of the report and Government's reaction with regard to the observations made regarding the failure of the market regulators like SEBI and the auditors of these companies?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SACHIN PILOT): (a) and (b) Reports appearing in a section of media indicate that a Section 25 Company, "Thought Arbitrage Research Institute" has published a study indicating *inter-alia* occurrence of frauds in companies due to factors like inadequate internal control procedures, diversion of funds by promoters/top management, failure of auditors in detection of frauds, etc. These factors are in any case widely recognised causes of frauds in companies.

Government has initiated a number of measures to prevent and deal with occurrence of frauds in the companies. Attention may, in particular, be invited to the following:

- Creation of "Fraud" as a substantive offence in the recently passed Companies Bill, 2013;
- Stricter norms of Corporate Governance and their implementation in the Companies Bill;

- Statutory status to the Serious Fraud Investigation Office (SFIO);
- Amendments in securities laws through Securities Laws (Amendments) Ordinance amending the Securities and Exchange Board of India (SEBI) Act, the Securities Contracts (Regulation) Act (SCRA) and the Depositories Act enabling SEBI to deal effectively to violations of laws by companies and individuals including those running Ponzi schemes;
- Increasing application of technology for early detection of frauds through data mining and Forensic Audit, etc.

Strategic plan for rural drinking water sector

1724. SHRIMATI GUNDU SUDHARANI: Will the Minister of DRINKING WATER AND SANITATION be pleased to state:

- (a) the aims and objectives of the Strategic Plan 2011-22 prepared by the Ministry for rural drinking water sector;
- (b) how this plan addresses the arsenic affected habitations in the country, particularly in Andhra Pradesh; and
- (c) the funds provided for the Plan and the details of the action plan to implement Strategic Plan?

THE MINISTER OF STATE OF THE MINISTRY OF DRINKING WATER AND SANITATION (SHRI BHARATSINH SOLANKI): (a) The Strategic Plan prepared by the Ministry for the rural drinking water sector for the period 2011-2022, stresses on extending the piped water supply to more households in the rural areas. The interim goal till 2017, is to cover 50% of all rural households with piped water supply, and 35% of rural households with household connections. By 2022, the goal is to cover 90% rural households with piped water supply, with 80% having household connections.

(b) The Strategic Plan provides that highest priority should be given to provision of safe drinking water in arsenic affected habitations of the country, including in Andhra Pradesh. The Strategic Plan mentions adoption of the following