



Serious Fraud Investigation Office

Why in News?

The [Serious Frauds Investigation Office \(SFIO\)](#) has arrested the alleged **mastermind of a widespread racket involving the setting up of shell companies with Chinese links and supply of dummy directors.**

- SFIO was assigned by the government to **investigate Jillian Consultants India Pvt Ltd** and 32 other companies.

What are the Shell Companies?

- A shell company is a **firm that does not conduct any operations in the economy**, but it is formally registered, incorporated, or legally organized in the economy.
- These are sometimes **used illegitimately, such as to disguise business ownership** from law enforcement or the public.

What is SFIO?

- **About:**
 - SFIO is a **multi-disciplinary organization under the Ministry of Corporate Affairs**, consisting of **experts in the field** of accountancy, forensic auditing, law, information technology, investigation, company law, capital market and taxation for **detecting and prosecuting or recommending for prosecution white-collar crimes/frauds**.
 - It has its head office in **New Delhi**.
 - The **Computer Forensic and Data Mining Laboratory (CFDML)** was set up in 2013 to provide support and service to the officers of SFIO in their investigations.
 - SFIO is headed by a **Director** as Head of Department in **the rank of Joint Secretary** to the Government of India.
 - Serious Fraud investigation (SFIO) was initially set up by the Government of India by way of a resolution dated 2nd July, 2003. At that time SFIO did not enjoy a formal legal status.
- **Function and Roles:**
 - **Section 211 of the Companies Act, 2013**, has accorded statutory status to the **Serious Fraud Investigation Office (SFIO)**.
 - SFIO also has **powers to arrest people for the violation of the Company law**.
 - An investigation into the affairs of a company can be initiated by the Central Government and **entrusted to the Serious Fraud Investigation Office** under the following circumstances:
 - On receipt of a report of the Registrar or inspector **under section 208** (Report on Inspection made) of the Companies Act, 2013.
 - On intimation of a special resolution passed by a company that its affairs are required to be investigated.
 - In public interest.
 - On request from any Department of the Central Government or a State

Government.

[Source: IE](#)

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