

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5984
ANSWERED ON:31.08.2001
SEBI REPORT ON SMALL INVESTORS
MADHAVRAO SCINDIA;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government's attention has been drawn to the report of dated August 2, 2001 by the Securities and Exchange Board of India (SEBI) to the effect that directors of over 200 firms, including around 65 from Gujarat and 33 from Delhi, have been on the run after generating crores of rupees leaving subscribers in the lurch;

(b) if so, the number of such companies from each State; and

(c) the steps taken against such companies to secure the investments by subscribers?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) The Securities and Exchange Board of India (SEBI) has intimated that as on 30.06.2001, 176 companies have been identified as 'vanishing companies' i.e. those companies which are not complying with the requirements of listing agreements and/or are not available at their registered office addresses after making public issues. Statewise details of these companies are provided in the Annex.

(c) Show cause notices were issued to these companies by SEBI. 86 companies have been debarred from associating with capital market activities for a period for 5 years. Action is in progress in respect of the other 90 companies.

Further, the Department of Company Affairs has launched prosecution proceedings against 66 companies; 26 are under liquidation; 02 have been seized by State Governments; action is being taken against another 16 companies and reports are awaited with respect to 04 companies.

Annex referred to in reply to Lok Sabha Unstarred Question No. 5984 by Shri Sushil Kumar Shinde and Shri Madhavrao Scindia for 31st August 2001 regarding SEBI Report on Small Investors

Statewise details of 176 companies which have been identified as 'vanishing companies' as on 30.06.2001

Gujarat 59
Karnataka 08
Orissa 04
Maharashtra 06
West Bengal 17
Tamil Nadu 21
Delhi 17
Andhra Pradesh 20
Uttar Pradesh 08
Punjab 14
Madhya Pradesh 02

Total 176