

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2966
ANSWERED ON:12.08.2005
DEFAULTING COMPANIES
Wagmare Shri Suresh Ganpatrao

Will the Minister of COMPANY AFFAIRS be pleased to state:

referring to the reply given to Unstarred Question No. 2936 dated 17.12.2004 and state:

- (a) the status of action taken against 111 vanished companies;
- (b) whether the Ministry has responded that criminal and other actions being planned against the Promoters and Directors;
- (c) if so, the details thereof alongwith the action taken as on date;
- (d) whether properties of the Directors have been attached; and
- (e) if so, the measures being taken to protect the small investors to get their money back who have invested in such companies?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) 229 companies were originally identified as Vanishing Companies out of which 115 companies have been traced back. As on date, 114 companies stand identified as Vanishing Companies. The status of actions taken against these Vanishing Companies is as follows:

Prosecutions have been filed against 107 companies and their promoters/directors u/s 62/63, 68 and 628 of the Companies Act, 1956.

Similarly, prosecutions have also been launched against 94 companies for non-filing of statutory returns. The cases are pending before different Courts for decision.

(b)&(c) FIRs have been filed against 100 companies, out of which FIRs have been registered in 87 cases. Investigations by respective State Police Authorities are at various stages in all these cases.

SEBI has debarred 100 companies and 378 directors u/s 11B of the SEBI Act from raising money from the Capital Market in any form, for a period of five years.

(d)&(e) No Sir.

However, Petitions have been filed with the Company Law Board under Sections 397/398/402/408 read with Section 406 of the Companies Act, 1956 in respect of two Vanishing Companies to disgorge the properties/monies obtained by promoters/Directors of these two Vanishing Companies. A final outcome in these cases is awaited as it involves court process.