

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2329
ANSWERED ON:14.03.2008
VANISHING COMPANIES
Dube Shri Ramesh

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the details of the vanishing companies as on date;
- (b) the total money lost by investors in these companies;
- (c) whether the Union Government has traced out the directors and promoters of these companies;
- (d) if so, the details thereof; and
- (e) the action taken in this regard?

Answer

MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA)

- (a) Out of the companies that came out with the IPOs during 1992-98, a total of 229 companies were originally identified as vanishing companies. With the continuous efforts of the Ministry, 116 companies have been traced back, resulting in the number of vanishing companies being reduced to 113. Subsequently, 8 more companies that came out with IPOs during 1998-2001 have been included in the list of vanishing companies. Thus, the total number of vanishing companies stands at 121 as on date.
- (b) The total amount raised from the public by these 121 vanishing companies through IPOs is approximately Rs. 819.16 crore.
- (c), (d) & (e) The Government has taken following action against the vanishing companies and their Promoters/Directors:
 - (i) Prosecutions have been filed in 109 cases for violations of various provisions of the Companies Act, 1956.
 - (ii) FIRs have been filed in 104 cases under the Indian Penal Code (IPC).
 - (iii) SEBI has debarred 100 companies and 378 directors u/s 11B of the SEBI Act from entering capital market for a period of five years.