

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3788
ANSWERED ON:25.08.2011
VANISHING COMPANIES
Alagiri Shri S. ;Sinh Dr. Sanjay

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the total number of companies which were identified as vanishing companies;
- (b) whether the Government has identified the reasons for working of vanishing companies;
- (c) if so, the details thereof;
- (d) the number of vanished companies which were found working in the country at present, State-wise; and
- (e) the action taken against the promoters/ directors in these companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI R.P.N. SINGH)

- (a) 238 Companies have been identified as vanishing companies.
- (b) to (e) Yes, Madam. Companies which had raised funds through Initial Public Offer were identified as Vanishing Company for
 - (i) non maintaining of their registered office;
 - (ii) non- traceability of directors;
 - (iii) non- filing of statutory returns/ listing requirements with the concerned Registrar of Companies / Stock Exchange for a period of 2 years. Out of 238 companies identified as vanishing companies, 119 companies have now become regular in filing their returns with the concerned Registrar of Companies. In addition, 32 companies have gone into liquidation. Thus, as on date, there are 87 companies which still remain identified as vanishing companies. The State-wise list of 87 vanishing companies is enclosed as Annexure I. 86 Prosecutions under Section 63/ 68 and 628 of the Companies Act, 1956 for mis-statement in the prospectus, fraudulently inducing persons to invest money and for false statement etc were filed against the company and its directors. Besides, 82 FIRs were also lodged with the Police to trace out the whereabouts of the companies and their directors.