

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1610
ANSWERED ON:22.03.2012
MONITORING COMMITTEE FOR VANISHING COMPANIES
Das Shri Ram Sundar

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether any Central Coordination and Monitoring Committee has been constituted to enquire against the issues related to vanishing companies and their promoters and also to take stock of follow up action against them;
- (b) if so, the total number of such companies and their promoters against whom action has been taken till date; and
- (c) the amount of money realized till date from them?

Answer

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

(a) to (c) The term 'Vanishing Companies' is applied both to the Companies which cease to file their statements of return or where, after raising capital, the whereabouts of their Registered Office or their Directors are not known. A Central Coordination and Monitoring Committee was constituted in 1999 to identify such companies and recommend further action against them. Initially, 238 such companies were identified, out of which 119 companies subsequently started filing their returns with the Registrars of Companies [RoCs] concerned and were, therefore, removed from the list of Vanishing Companies. Another 32 of such companies have gone into liquidation. Currently there are 87 companies that are falling in the list of Vanishing Companies.

Prosecutions in respect of 86 companies have so far been filed under various Sections of the Companies Act for inducing investment of money by misrepresentation of facts, etc. Similarly, 82 FIRs have been filed with police in respect of certain Companies and their Directors whose whereabouts could not be traced despite efforts. It is, however, not possible to exactly quantify the amounts realised as the process of liquidation is still going on in large number of cases.