

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:6698
ANSWERED ON:17.05.2012
VANISHING COMPANIES
Vijayan Shri A.K.S.

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has directed the Registrar of Companies in the State to identify vanishing companies with public share and start legal proceedings against them;
- (b) if so, the details thereof
- (c) whether the Government and the Securities and Exchange Board of India (SEBI) have jointly suggested tightening norms for vanishing companies following multi crore Satyam fraud and to protect the interest of small investors;and
- (d) if so, the details thereof?

Answer

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

- (a) & (b) Yes, Madam. A Coordination and Monitoring Committee (CMC) co-chaired by Secretary MCA & Chairmen SEBI has been set up to identify and monitor the state of affairs of Vanishing Companies and to take appropriate action against such companies in terms of Companies Act, 1956 and the SEBI Act, 1992. As on date 86 prosecutions have been filed against companies presently identified as 'Vanishing Companies'.
- (c) & (d) With the Companies (Amendment) Act, 2006, norms for incorporation of companies have been made more stringent by introduction of Directors Identification Number (DIN), mandatory filing of all details of directors etc.