

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4539
ANSWERED ON:20.12.2012
DISAPPEARED COMPANIES QUESTION
Hegde Shri Anant Kumar;Yadav Shri Dinesh Chandra

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether 238 companies raised money from the capital market by 31st March, 2012 and then vanished;
- (b) if so, the facts in this regard;
- (c) the total amount of money taken by these companies from the market;
- (d) whether their whereabouts are not possible to be traced due to the absence of stringent laws; and
- (e) if so, the reaction of the Government thereto including the action taken so far and proposed to be taken in near future in the matter?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) (SHRI SACHIN PILOT) IN THE MINISTRY OF CORPORATE AFFAIRS

(a) & (b): 238 companies were initially identified as vanishing companies. Out of these names of 151 companies have since been deleted from the list as the companies started filing their Balance Sheets etc. with Registrars of Companies as well as Stock Exchanges and the criteria for treating a company as 'vanishing' is no longer applicable to them. Thus, as on date, 87 companies are considered falling under the 'vanishing' category.

(c) The total amount of Public Issues made by these 87 companies amounted to Rs. 341.90 crore.

(d) & (e): FIRs have been lodged against all the 87 vanishing companies and their directors with the Police to trace their whereabouts and also to take action under Indian Penal Code (IPC). Further, prosecutions have been filed against vanishing companies and their Directors under Sections 162 and 220 of the Companies Act, 1956 for non-filing of Statutory Returns and under Sections 62/63, 68 and 628 of the Companies Act, 1956 for mis-statement in prospectus/fraudulently inducing persons to invest money/false statements made in the offer documents, etc. Promoters/directors of the vanishing companies were also debarred by Securities and Exchange Board of India (SEBI) from raising money from the public under Section 11B of the Securities and Exchange Board of India Act. Besides, details of vanishing companies and their promoters/directors have been published in the Newspapers as well as placed on the website of the Ministry (www.mca.gov.in) to facilitate the investors to come forward and lodge their complaints against vanishing companies.