

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2504

ANSWERED ON:07.03.2003

FAKE COMPANIES IN ORISSA

BHARTRUHARI MAHTAB

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the number of fake companies in Orissa which have received funds from small investors during the last three years;
- (b) whether several such complaints have been received by the union Government from the State Government of Orissa;
- (c) if so, the details thereof;
- (d) the authority which has been assigned the responsibility to monitor the activities of such companies; and
- (e) the action being taken by the Government in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a) : As informed by Securities and Exchange Board of India (SEBI) and the Department of Company Affairs (DCA), no company has been declared Vanishing Company from Orissa in the last three years.

(b) & (c) : No Sir,

(d) & (e) : The Co-ordination and Monitoring Committee (CMC) (a joint mechanism of SEBI and DCA jointly chaired by Secretary DCA and Chairman SEBI) is the policy making body for vanishing companies.

In addition to CMC for making policies regarding vanishing companies, seven Regional task forces comprising officials of DCA, SEBI and stock exchanges were constituted to make verification of compliance at the operational level. The objective of the task forces is to identify such defaulting companies and inform the appropriate authorities like DCA, SEBI and Stock Exchanges to take action against them under the relevant laws.

In respect of companies declared vanishing, SEBI has passed orders under Sec.11B of SEBI Act 1992 against 93 companies and 351 directors debarring them from activities connected with capital market, raising funds from capital markets and dealing in securities, for a period of five years from the date of order.