

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:538
ANSWERED ON:09.07.2004
VANISHED COMPANIES
Sen Smt. Minati

Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) the total number of fraud and vanishing companies who had cheated the investors money and the amount thereof as on date; and
- (b) the steps taken by the Government to track them and recover the money ?

Answer

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) At present, 122 companies stand identified as vanishing companies. These companies had come out with public issues involving Rs. 838 crores.

(b) A Coordination and Monitoring Committee, co-chaired by Chairman, Securities and Exchange Board of India and Secretary, Ministry of Company Affairs has been set up for taking legal action against unscrupulous Promoters/Directors. Accordingly, action has been initiated against Promoters/Directors of the vanishing companies for violations under the Companies Act. Cases against several vanishing companies and their Promoters/Directors have also been registered with Police for offences punishable under Sections 420, 406, 403, 415, 418 and 424 of the Indian Penal Code.