

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3535
ANSWERED ON:20.08.2004
TASK FORCE FOR FORGED COMPANIES
Khandelwal Shri Vijay Kumar

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether Union Government has formed four Task Force Groups, to take strict action against the forged companies, one each in Mumbai, Kolkata, Chennai and Delhi; and

(b) if so, the details of the Task Force Groups and progress made by them so far?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) The Coordination and Monitoring Committee (CMC) on vanishing companies, co-chaired by Secretary, Ministry of Company Affairs and Chairman, Securities & Exchange Board of India (SEBI) has set up four Task Forces for, inter alia, taking legal action against vanishing companies.

(b) The Task Forces are headed by the four Regional Directors of this Ministry. The meetings of the Task Forces generally take place at Mumbai, Kolkata, Chennai and Delhi. The other members of these Task Forces are the representatives of Regional Offices of SEBI, relevant stock exchanges and the concerned Registrars of Companies. As a result of the efforts made by the Task Forces, prosecutions under the Companies Act have been launched against 109 vanishing companies and their Directors under Sections 63, 68 and 628 of the Companies Act, 1956. Besides, prosecutions for non-filing of statutory returns have been filed against 103 companies and their Directors. First Information Reports with the Police have also been filed against 87 companies and their Directors for offences punishable under Sections 420, 406, 403, 415, 418 and 424 of the Indian Penal Code.