

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2516

ANSWERED ON:08.12.2006

VANISHED COMPANIES

Gawali Smt. Bhavana Pundlikrao;Mahato Shri Sunil Kumar;Prasad Shri Hari Kewal;Renge Patil Shri Tukaram Ganpatrao

Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) whether a Central Coordination and Monitoring Committee has been constituted to look into the issues relating to vanishing companies and their promoters and to monitor the progress of action against them;
- (b) if so, the number of such companies and promoters against whom action has been taken so far; and
- (c) the amount of recovery made from them till date?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) Yes Sir.

(b) Government has taken the following action against companies identified as vanishing and their Promoters/Directors:

(i) filing of FIRs in respect of 102 companies and their Promoters/ Directors for the offences punishable under Sections 420,406, 403, 415, 418 & 424 of the Indian Penal Code (IPC).

(ii) filing of prosecutions under provisions of the Companies Act, 1956 in respect of 107 out of a total of 114 companies, which remain identified as vanishing companies as on date.

(iii) SEBI has debarred 100 companies and 378 directors u/s 11B of the SEBI Act from raising money from the Capital Market in any form, for a period of five years.

(c) Besides taking action as stated above, Petitions have also been filed with the Company Law Board (CLB) under Sections 397/398/402/408 read with Section 406 of the Companies Act, 1956 in respect of two selected Vanishing Companies to disgorge the properties/monies obtained by Promoters/Directors of these two Vanishing Companies. The Company Law Board has dismissed the Petition in case of M/s. Nuline Glassware (India) Ltd (presently known as M/s. Pur Opale Creations Ltd.) against which the Ministry has filed an appeal before the Gujarat High Court. The other case of M/s AVI Industries Ltd is pending adjudication by the CLB.