

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3979
ANSWERED ON FRIDAY, THE 10TH AUGUST, 2018
[SHRAVANA 19, 1940 (SAKA)]**

**VANISHING COMPANIES
QUESTION**

3979. SHRIMATI KAMLA DEVI PAATLE:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेट कार्य मंत्री

- (a) the details regarding the total number of vanishing companies identified so far in the country, State/UT-wise;**
- (b) whether any Committee has been formed to investigate the issues related to such vanishing companies and to monitor other progress of action against such companies;**
- (c) if so, the total number of such companies and their promoters against whom action has been taken;**
- (d) the steps of the Government to locate other companies declared as vanishing companies; and**
- (e) the action taken/proposed to be taken to stop such vanishing activities or companies?**

ANSWER

**MINISTER OF STATE FOR LAW AND
JUSTICE AND CORPORATE AFFAIRS**

(SHRI P. P. CHAUDHARY)

- (a) The distribution of 77 Companies currently identified as “Vanishing” by Jurisdictional Registrar of Companies (Roc), is at Annexure.**
- (b) A Coordination and Monitoring Committee (CMC), co-chaired by Secretary, Ministry of Corporate Affairs and Chairman, SEBI was set up in the year 1999 to look into the issue Vanishing Companies. It consists of all Regional Directors (RD) of the Ministry of Corporate Affairs as well as representatives of the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI).**
- (c) &(d): Out of the companies that came out with the Initial Public Offers (IPO) during the years 1992-2005, a total of 238 companies were identified as ‘Vanishing Companies’. Due to the continuous efforts of this Ministry, 129 companies have been traced and are now regular in filing statutory returns. Further, 32 vanishing companies were under liquidation proceedings. After deletion of these 161(i.e. 129 plus 32) companies from the list of vanishing companies, the total number of Vanishing Companies now stand at 77.**

The Registrars of Companies have initiated legal action in respect of the Vanishing Companies, their Promoters and Directors. Besides carrying out physical verification of the Registered Offices, prosecutions have been launched for various offences under the Companies Act, 1956 as well as under the Indian Penal Code, 1860.
- (e) The Ministry has streamlined the requirements of incorporation of companies by entrepreneurs through a multi-pronged verification process. This includes allotment of Director Identification Number (DIN) with Know Your Client (KYC) norms, linkage of details of promoters and Directors with their respective Permanent Account Number (PAN) etc.**

Annexure

REGION-WISE AND ROC-WISE DISTRIBUTION OF VANISHING COMPANIES		
Regional Director	Registrar of Companies	No. of Vanishing Companies
EASTERN REGION	Cuttack	1
	Kolkata	4
	Patna	4
EASTERN REGION		9
NORTHERN REGION	Chandigarh	3
	Delhi	5
	Kanpur	4
NORTHERN REGION		12
NORTH-WESTERN REGION	Ahmedabad	17
	Gwalior	5
NORTH-WESTERN REGION		22
SOUTH-EASTERN REGION	Bangalore	3
	Hyderabad	14
SOUTH-EASTERN REGION		17
SOUTHERN REGION	Chennai	6
	Coimbatore	3
SOUTHERN REGION		9
WESTERN REGION	Mumbai	8
WESTERN REGION		8
Total		77
