

Duping of Investors by Companies

1393. SHRI SITARAM YECHURY:

SHRI VIJAY J. DARDA:

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware about 250 companies tapped the capital market during the public issue boom between 1993-94 and 1994-95 and duped investors of their money and the amount involved being Rs. 1400 crores from their Initial Public Officers;

(b) if so, what action has been taken by Government to identify such companies; and

(c) how many investors have filed claims to get their money back and how many have actually been refunded the money

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) Yes Sir. However, 229 companies were originally identified as Vanishing Companies which came out with IPOs during the period 1992—98, out of which 71 companies are such which came out with IPOs during the period 1993—1995, for raising a sum of Rs.607.65 crores from the public.

(b) A Central Coordination and Monitoring Committee, co-chaired by Secretary, Ministry of Company Affairs and Chairman, SEBI has been set up to look into issues relating to vanishing companies and their promoters and to monitor the progress of action taken against vanishing companies and their promoters. Four Task Forces headed by Regional Directors under the Ministry of Company Affairs have been constituted to make concerted efforts for identifying the companies, which are vanishing and their promoters/Directors.

(c) There is no provision in the Companies Act 1956 for refunding money collected by companies through public issue unless a winding-up order is passed.

Revamping of Serious Fraud Investigation Office

1394. SHRI MANOJ BHATTACHARYA: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) the details of the work done by the Serious Fraud Investigation Office (SFIO) attached to his Ministry during the last three years, year-wise;