

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 2269
ANSWERED ON FRIDAY, THE 05TH DECEMBER, 2014
[AGRAHAYANA 14, 1936 (SAKA)]**

FLY BY NIGHT COMPANIES

QUESTION

2269. SHRIMATI KAMLA DEVI PAATLE:

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

- (a) the number of companies in the country identified as fly-by-night companies along with the estimated amount involved therein, State/UT-wise including Chhattisgarh;**
- (b) whether the Government has constituted/proposes to constitute a Committee to identify and monitor such companies, if so, the details along with the findings thereof and the follow-up action taken by the Government thereon; and**
- (c) the other steps taken/being taken by the Government to create awareness among people about the investment scenario in the country and keep a check on such companies?**

ANSWER

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY)

- (a) Companies which, after raising funds through Public issues, fail to file documents and balance sheets and become untraceable are called 'Vanishing Companies'. Initially 238 such companies were identified. Out of these, 128 companies subsequently started filing their returns etc. and therefore they are no longer regarded as 'Vanishing Companies'**

and are subjected to special monitoring by being kept under a 'watch list'. Out of the remaining companies 32 are now under liquidation. As on date, there are 78 companies in the 'vanishing companies' category. The total amount raised by these 78 companies was Rs. 310.21 crore (approx.). State/UT-wise list of 78 vanishing companies is enclosed as Annexure.

(b) A Coordinating and Monitoring Committee already exists to identify and monitor the activities of such companies. FIRs have been lodged against all 78 companies and their Directors to trace their whereabouts and also to take action against them under Indian Penal Cord (IPC). Prosecutions have also been filed against such companies and their Directors under sections 162 and 220 of the Companies Act, 1956 for non-filing of annual returns and balance sheet, respectively and also under sections 62/63, 68 and 628 of the Companies Act, 1956 for mis-statement in prospectus/fraudulently inducing persons to invest money/false statements made in the offer documents, etc.

(c) The Ministry has also undertaken proactive measures of sensitizing the people through organizing investors awareness programmes. These programmes are organized regularly in association with the Institute of Chartered Accountants of India (ICAI), Institute of Cost Accountants of India (ICAI) and Institute of Company Secretaries of India (ICSI) under the Investor Education and Protection Fund (IEPF) for creating awareness and empowerment among the investors. Since 2012-2013, the Ministry has also started organizing such programs in rural areas through CSC e-Governance Services India Ltd. a company under Department of Electronics and Information Technology. During 2013-14 2897 such programs were conducted.

ANNEXURE REFERRED TO IN ANSWER TO PART (a) OF LOK SABHA UNSTARRED QUESTION NO. 2269 FOR 05.12.2014 REGARDING FLY BY NIGHT COMPANIES

STATE/UT WISE LIST OF VANISHING COMPANIES

| S. No. | Name of the Vanishing Company | State/UT | Issue Size (Rs in Crore) |
|---------------|---|-----------------|---------------------------------|
| 1 | Aashi Industries Ltd (Formerly known as Aashi Pharmachem Ltd.) | Gujarat | 5.52 |
| 2 | Bhavna Steel Cast Ltd. | Gujarat | 2.10 |
| 3 | Genuine Commodities Development Co. Ltd. | Gujarat | 2.68 |
| 4 | Growth Agro Industries Ltd. | Gujarat | 5.40 |
| 5 | Kesar Greenfield International Ltd. | Gujarat | 5.69 |
| 6 | Lyons Industrial Estate Enterprises Ltd. (formerly known as Lyons Range Finance Ltd.) | Gujarat | 6.37 |
| 7 | Manav Pharma Ltd. | Gujarat | 5.30 |
| 8 | Marine Cargo Company Ltd. | Gujarat | 3.41 |
| 9 | Naturo Pest Ltd. | Gujarat | 4.84 |
| 10 | Nishu Fincap Ltd. (Formerly known as Medha Finance & Securities Ltd.) | Gujarat | 4.25 |
| 11 | Pur Opale Creations Ltd (formerly known as Nuline Glassware (India) Ltd.) | Gujarat | 6.78 |
| 12 | Protech Circuit Breakers Ltd. | Gujarat | 2.00 |
| 13 | Protech Switchgears Ltd. | Gujarat | 2.00 |
| 14 | Shree Yaax Pharma & Cosmetics Ltd. | Gujarat | 6.06 |
| 15 | Spil Finance Ltd. | Gujarat | 5.70 |
| 16 | Sushil Packagings (India) Ltd. | Gujarat | 4.52 |
| 17 | Topline Shoes Ltd. | Gujarat | 7.80 |
| 18 | Aditya Alkaloids Ltd. | Andhra Pradesh | 3.55 |
| 19 | Canara Credit Ltd. | Andhra Pradesh | 2.49 |
| 20 | Daisy Systems Limited | Andhra Pradesh | 1.31 |
| 21 | Imap Technologies Limited | Andhra Pradesh | 1.80 |
| 22 | Kamakshi Housing Finance Ltd. (Presently known as Kisha Impex Ltd.) | Andhra Pradesh | 5.71 |
| 23 | Deccan Petroleum Ltd. | Andhra Pradesh | 4.57 |
| 24 | Orpine Systems Limited | Andhra Pradesh | 2.71 |
| 25 | Chhakri Tyres & Tubes Ltd. or Rhino Tyres Ltd. (Presently known as Raam Tyres Ltd.) | Andhra Pradesh | 9.59 |
| 26 | Sequel Soft India Limited | Andhra Pradesh | -- |
| 27 | Sibar Media & Entertainment Limited | Andhra Pradesh | 3.50 |
| 28 | Sibar software services India Ltd. | Andhra Pradesh | 3.50 |
| 29 | Swal Computers Ltd. | Andhra Pradesh | 2.60 |
| 30 | Visie Cyber Tech Ltd. | Andhra Pradesh | 1.40 |
| 31 | Ambuja Zinc Ltd. | Bihar | 2.14 |
| 32 | Bodh Gaya Ceramics Ltd. | Bihar | 0.49 |
| 33 | Cilson Organics Ltd. | Bihar | 8.00 |
| 34 | Shree Vaishnavi Printing and Dyeing Ltd. | Bihar | 3.24 |
| 35 | Carewell Hygiene Products Ltd. | Chandigarh | 2.49 |

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|--------------|--|-----------------------|---------------|
| 36 | Sukhchain Cements Ltd. (formerly known as Ganapati Cements Pvt. Ltd.) | Chandigarh | 3.65 |
| 37 | Kedia Infotech Ltd (formerly known as Grives Hotels Ltd.) | Delhi | 4.98 |
| 38 | Hoffland Investments Ltd. (formerly known as Vadra Investments Ltd.) | Delhi | 2.90 |
| 39 | Simplex Holdings Ltd. | Delhi | 2.27 |
| 40 | Star Electronics Ltd. | Delhi | 2.47 |
| 41 | Zed Investments Ltd. | Delhi | 2.80 |
| 42 | Flora Wall Coverings Ltd. | Karnataka | 5.82 |
| 43 | Ocean Knits Limited | Karnataka | 2.61 |
| 44 | Hi-Tech Drugs Ltd. | Madhya Pradesh | 3.23 |
| 45 | Madhyavart Exxoil Ltd. | Madhya Pradesh | 2.30 |
| 46 | Rajadhiraj Industries Ltd. | Madhya Pradesh | 2.50 |
| 47 | South Asian Mushrooms Ltd. | Madhya Pradesh | 6.10 |
| 48 | Sterling Kalk Sand Bricks Ltd. | Madhya Pradesh | 4.44 |
| 49 | Caldyn Aircon Ltd. | Maharashtra | 4.45 |
| 50 | Gobal Exhibitions Ltd. (Formerly known as Global Network Ltd.) | Maharashtra | 4.45 |
| 51 | Hitesh Textile Mills Ltd. | Maharashtra | 7.48 |
| 52 | Ichakalanji Soya Ltd. | Maharashtra | 2.00 |
| 53 | Pashupati Cables Ltd. | Maharashtra | 11.95 |
| 54 | Realtime Finlease Ltd. | Maharashtra | 3.75 |
| 55 | Rusoday & Company Ltd. | Maharashtra | 0.94 |
| 56 | Sparkle Foods Ltd. | Maharashtra | 5.00 |
| 57 | Vipul Securities Ltd. | Maharashtra | 3.00 |
| 58 | Universal Vita Alimentare Ltd. | Orissa | 1.80 |
| 59 | Hallmark Drugs and Chemicals Ltd. (formerly known as Lifeline Drugs Ltd.) | Punjab | 7.00 |
| 60 | Amigo Exports Ltd. | Tamil Nadu | 3.30 |
| 61 | Crestworld Marines Ltd. | Tamil Nadu | 4.38 |
| 62 | Ma Capital Market Services Ltd. | Tamil Nadu | 1.44 |
| 63 | Nagarjuna Jiyo Industries Ltd. | Tamil Nadu | 2.73 |
| 64 | PK Vaduvammal Finance & Investments Ltd. (Presently known as Novel Finance (I) Ltd. | Tamil Nadu | 1.50 |
| 65 | Panggo Exports Ltd. | Tamil Nadu | 2.47 |
| 66 | Sai Graha Finance and Engineering Ltd. | Tamil Nadu | 4.05 |
| 67 | Shyam Printers & Publishers Ltd. | Tamil Nadu | 2.25 |
| 68 | AVR Securities Ltd. | Tamil Nadu | 2.47 |
| 69 | Global Blooms India Ltd. | Tamil Nadu | 2.10 |
| 70 | Rizvi Exports Ltd. | Uttar Pradesh | 3.65 |
| 71 | Shefali Papers Ltd. | Uttar Pradesh | 2.57 |
| 72 | Siddhartha Pharmachem Ltd. | Uttar Pradesh | 12.00 |
| 73 | Vidiani Agrotech Industries Ltd. | Uttar Pradesh | 2.80 |
| 74 | Asian Vegpro Industries Ltd. | West Bengal | 7.09 |
| 75 | Kiev Finance Ltd. | West Bengal | 12.00 |
| 76 | Oriental Remedies and Herbals Ltd. | West Bengal | 1.88 |
| 77 | SSK Fiscal Services Ltd. | West Bengal | 2.00 |
| 78 | Saket Extrusions Ltd. | West Bengal | 2.13 |
| Total | | | 310.21 |