

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:5029  
ANSWERED ON:20.12.2002  
PROSECUTION AGAINST COMPANIES  
JAGANNATH MALLICK

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether it was reported recently in the press that Department of Company Affairs has ordered prosecution against 13 companies for non-compoundable offences in the stock market scam;
- (b) if so, the details of the offences committed by these companies;
- (c) the names of the companies and the amount involved against each company;
- (d) the major recommendations of the Joshi Commission in this regard; and
- (e) the recommendations implemented or proposed to be implemented by the Government?

**Answer**

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH):

(a) to (c) Based on inspections under Section 209A of the Companies Act, 1956, Department of Company Affairs ordered prosecutions for offences that carry terms of imprisonment or are non-compoundable in respect of 13 companies for violation of provisions of Section 68, 209A(8), 372A and 628/211 of the Act. The names of said 13 companies are as under:

- (1) M/s Cyberspace Ltd;
- (2) M/s First Global Stock Broking (P) Ltd;
- (3) M/s First Global Finance Ltd;
- (4) M/s Vruddhi Confinvest India Pvt Ltd;
- (5) M/s Pentamedia Graphics Ltd.;
- (6) M/s Nirmal Bang Securities Pvt Ltd;
- (7) M/s Goldfish Computers Ltd;
- (8) M/s Nakshatra Software (P) Ltd;
- (9) M/s DSQ Software Ltd;
- (10) M/s Dolat Capital Market Ltd;
- (11) M/s Shailesh Shah Securities Ltd;
- (12) M/s Adani Exports Ltd; and
- (13) M/s Rathi Global Finance Ltd.

(d) and (e) The Joshi Committee has not given any recommendations in respect of the above matter.