

**GOVERNMENT OF INDIA  
COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:507  
ANSWERED ON:03.12.2004  
INSPECTION OF TAINTED COMPANIES  
Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba

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

- (a) whether the Ministry of Company Affairs has ever conducted inspection of tainted companies;
- (b) if so, the names of companies which have been inspected after receiving complaints against them;
- (c) whether the Government is going to revise the Company Act completely to keep a check on frauds committed by companies against the investors; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b) Ministry of Company Affairs can cause inspections of companies under section 209A of the Companies Act, 1956 with a view to verify compliance with the provisions of the Act. Such inspections are conducted from time to time. The term `tainted companies` is not defined in the Act. The Ministry conducted inspections of 96 companies based on preliminary investigation report of Securities & Exchange Board of India (SEBI) in connection with Stock Market Scam, 2001. A list of such companies is enclosed at Annexure.

(c) & (d) To enable a new frame work for regulation of corporate sector in tune with emerging economic scenario while encouraging good corporate governance and protection of the interests of the stakeholders including small investors, it has been decided to review and revamp the Companies Act, 1956. A concept paper on Company Law has been prepared and disseminated with a view to solicit the opinion of various stakeholders, professionals and interested public and others through a wide based consultative process. The Government is in the process of consulting various stakeholders. The revamping of Companies Act would enable inter-alia strengthening of provisions relating to rights of investors/shareholders, registration, disclosures, financial reporting, declaration of directors` responsibility, inspections and penalties, all of which would help in checking frauds by companies against investors.

**INSPECTIONS ORDERED BASED ON PRELIMINARY INVESTIGATION REPORT OF SEBI IN CONNECTION WITH RECENT MARKET SCAM**

Ketan Parekh Groups

1. M/s NH Securities Ltd           WR
2. M/s Triumph International Finance Ltd    WR
3. M/s Classic Share & Stock Broking Services Ltd   WR
4. M/s KNP Securities Pvt Ltd           WR
5. M/s VN Parekh Securities Pvt. Ltd       WR
6. M/s Panther Fincap Management Services Ltd   WR
- 7 M/s Panther Investrade Ltd           WR
8. M/s Classic Credit Ltd           WR
9. M/s Saimangal Investrade Ltd       WR
10. M/s Classic Infin Ltd           ER
11. M/s Panther Industrial Products Ltd   WR
12. M/s Goldfish Computer Pvt. Ltd       WR
13. M/s Nakshatra Software Pvt Ltd       WR

- 14. M/s Chitrakoot Computers Pvt Ltd WR
- 15. M/s Luminant Investment Pvt. Ltd WR
- 16. M/s Triumph Securities Pvt. Ltd WR

Nirmal Bang Group

- 17. M/s Bama Securities Ltd WR
- 18. M/s Nirmal Bang Securities Ltd WR
- 19. M/s Bang Equity Broking Pvt. Ltd WR
- 20. M/s Bang Securities Pvt Ltd WR
- 21. M/s Nadi Finance & Investment Pvt. Ltd WR

Shankar Sharma & Devina Mehra Group

- 22. M/s First Global Finance Pvt Ltd NR
- 23. M/s First Global Stock Broking Pvt Ltd NR
- 24. M/s Vruddhi Confinvest India Pvt. Ltd WR

Shailesh Shah Group

- 25. M/s Dolat Capital Market Ltd WR
- 26. M/s Nirpan Securities Ltd WR
- 27. M/s Shailesh Shah Securities Ltd WR

Radha Krishan Damani Group

- 28. M/s Damani Share & Stock Brokers Pvt. Ltd WR
- 29. M/s Maheshwari Equity Brokers Pvt. Ltd WR
- 30. M/s Jhunjhunwala Stock Broker Pvt. Ltd WR
- 31. M/s Pratik Stock Vision Pvt. Ltd WR
- 32. M/s Damani Estates & Finance Pvt. Ltd WR
- 33. M/s Bright Star Investments Ltd WR
- 34. M/s Krishna Securities Ltd NR
- 35. M/s Avenue Stock Brokers India Pvt. Ltd WR

Ajay Keyan Group

- 36. M/s C Mackertich Ltd ER
- 37. M/s SMIFS Securities Ltd ER
- 38. M/s Stewart Securities Ltd ER
- 39. M/s Maya Trade Link Ltd ER
- 40. M/s Powerflow Holdings Pvt Ltd ER
- 41. M/s Mackertich Consultancy services Pvt Ltd ER
- 42. M/s PNR Securities Ltd NR

Consortium Group

- 43. M/s Consortium Securities Ltd NR
- 44. M/s CSL Securities Pvt Ltd NR
- 45. M/s CSL Stock Broking Pvt Ltd NR

BLB Group

- 46. M/s BLB Ltd NR

Rathi Group

47. M/s Rathi Global Finance Ltd NR
48. M/s Anand Rathi Securities Pvt. Ltd WR
49. M/s Navratan Capital & Securities Pvt. Ltd WR
50. M/s Rathi Capital & Services Pvt. Ltd. WR
51. M/s Amit Capital & Securities Pvt. Ltd WR
52. M/s Pushp Capital & Securities Pvt. Ltd WR
53. M/s Gerard Viegs Finvest Pvt. Ltd WR
54. M/s Hitkari Finvest Pvt Ltd WR
55. M/s Preetraj Finvest Pvt Ltd WR
56. M/s Suresh Rathi Securities Pvt Ltd WR

Zee Tele Group

57. M/s Zee Telefilms Ltd WR
58. M/s Siticable Network Pvt Ltd WR
59. M/s Digital Superhighway WR
60. M/s Briggs Trading Co Pvt. Ltd WR
61. M/s Prajatma Trading Co Pvt. Ltd WR
62. M/s Churu Trading Co Pvt. Ltd WR
63. M/s Ganjam Trading Co Pvt Ltd WR

Other Companies

64. M/s Zee Gold Refinery Ltd WR
65. M/s Palombe Securities & Finance Ltd WR
66. M/s Global Telesystems Ltd WR
67. M/s Himachal Futuristic Communication Ltd NR
68. M/s Burlington Finance Ltd ER
69. M/s DSQ Software Ltd SR
70. M/s Pentamedia Graphics Ltd SR
71. M/s Nirma Ltd WR
72. M/s Ranbaxy Laboratories Ltd NR
73. M/s Koproan Ltd WR
74. M/s Adani Export Ltd WR
75. M/s Lupin Laboratores Ltd WR
76. M/s Padmini Polymers Ltd NR
77. M/s Shonkh Technologies Ltd NR
78. M/s Amar Raja Batteries Ltd SR
79. M/s Global Trust Bank Ltd SR
80. M/s Monesh Consultancy Pvt Ltd WR
81. M/s Moncon Investment Ltd WR
82. M/s Manmandir Estate Developers (P) Ltd WR
83. M/s Credit Suisse First Boston (I) Securities Pvt Ltd WR
84. M/s JM Morgan Stanley Securities Pvt Ltd WR
85. M/s JM Morgan Retail Services Pvt Ltd WR
86. M/s Aftek Infosys Ltd WR
87. M/s Silverline Industries Ltd WR
88. M/s Doe Jones Investments & Consultants Pvt Ltd ER
89. M/s Arihant Exim Scrip Pvt Ltd ER
90. M/s Tripoli Consultancy Services Pvt Ltd ER
91. M/s Khenami Securities Pvt Ltd ER
92. M/s SSI Ltd SR
93. M/s Cyberspace Ltd NR
94. M/s Pruthvi Brokers & Shareholdings Pvt Ltd WR
95. M/s Biyani Securities Pvt Ltd ER
96. M/s Satyam Computer Services Ltd SR