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### Give-away names

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What's in a name? That which we call a rose by any other name would smell as sweet," wrote Shakespeare. But some companies ensure that their name signals intent and character. In the 1980s, government action against a large corporate group had made the names of its investment companies like 'Crocodile Investments' and 'Fiasco Holdings' famous around the country. Recently, Prithvi Haldea, who has created [www.watchoutinvestors.com](http://www.watchoutinvestors.com) (a new Internet tool for investors to check the antecedents of companies and their promoters), found some fascinating names. For instance what would you say about a company that calls itself Sorcerer Finance? That it will make your money vanish? By the same token, does Boomerang Investment reflect what will happen to your investment decision? And what about Stigma Credit, Mystery Investments and Surprise Investments? Whatever the return on investment, investors certainly can't claim to be taken by surprise.

### Dirty note politics

Remember the recommendation by an expert committee to use plastic coating to extend the life of bank notes? Although the recommendation had been accepted by the government and could save a few hundred crore rupees, the proposal seems to have been shoved into the background by another plan to flush out black money by changing the currency altogether. Even while the government has been dragging its feet on Plan One, the Finance Ministry has come up with a third view that there is no need to increase the life of currency notes, since it plans to change designs faster for countering forgery.

Interestingly, counterfeiting is a worry for high denomination notes, but for the six billion plus pieces of Rs 10 notes that are churned out by security presses every year, a life extension through plastic coating is a bigger imperative. Sources say that although the Reserve Bank wants to chemically coat notes for increasing their lifespan, they can't do it without an explicit government order. At the same time, new and expensive features continue to be added

on to bank note and a proposal by an Australian company to produce polymer notes, that was reportedly rejected by RBI's technical experts, is being given a relook. All these decisions and rejections are apparently the result of lobbying by large foreign firms that have always played a major role in this highly technical and secretive decision-making. The stakes are indeed very big.

### **IT mania returns?**

When the worldwide IT bubble burst in 2000, investors wanted some scapegoats. While some, like Henry Blodget lost their jobs, the Daily Reckoning, a popular finance webzine reports that Mary Meeker has resurfaced unscathed and is predicting another 'Internet boom'. Meeker says this time the book is 'for real'. Interestingly, Indian IT stocks are going through an equally inexplicable revival. Not only are IT blue chips booming, but shady ones are fancied again and Internet message boards are buzzing again with dubious recommendations. DSQ Software, which is all but a shell and whose head, Dinesh Dalmia has an Interpol alert issued against him, shot up 10 per cent on Friday.

Similarly, bubble stocks of 2000 like Pentamedia Graphics whose 52-week low as Rs 0.50 shot up 20 per cent on Friday to a little over Rs 7. A group company Pentasoft Technologies, was up 16 per cent on reports of a GDR issue and rumours that a vulture fund was planning an investment. Penny stock devotees may want to note that the scrip has been touted to touch Rs 20 since January this year. They may also like to remember what happened with Kolar Biotech, Adam Comsoft and Soundcraft Industries.

### **Who regulates GDRs?**

Regulators around the world are beginning to clamp down on shady GDR issuance. On November 12, the Taiwanese Financial Supervisory Commission announced new regulations to hold underwriters responsible for dubious listings of GDRs and Euro Convertible bonds. It plans a three-tier mechanism whereby penalties will be imposed on "problematic underwriters, including suspension of their business activities for up to six months". Strangely, however, no regulator examines GDR issues from India. In 2000, the Finance Ministry dispensed with prior approval of GDRs and put them on the automatic route. That was precisely the time when scamsters and cronies dominated the market and influenced policymaking. It was also when the Reserve Bank registered Overseas Corporate Bodies (OCB) with a capital of \$10 and allowed them to play havoc in the capital market because it forgot about regulating them. GDRs have turned popular again with dubious promoters as a way to manipulate market sentiment and bring back the money they have salted away abroad.

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