

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2186

ANSWERED ON:10.03.2006

PENNY STOCK MOVEMENTS

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**Will the Minister of FINANCE be pleased to state:**

- (a) whether SEBI is investigating the Penny Stock movements recently which have shown tremendous increase in their share prices;
- (b) is so, complete details of such stocks; and
- (c) the details of investigations by SEBI?

**Answer**

MINISTER OF STATE FOR FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Yes, Sir. Securities and Exchange Board of India (SEBI) has been keeping a close watch on the trading and sharp rise in a short period in shares of companies with low market capitalization commonly referred to as `small cap stocks` or `penny stocks` in the recent times.

(b) & (c): SEBI initiated quick investigation into several such scrips and the entities who were active in such scrips. Since September 2005, SEBI has passed 17 interim exparte orders including those against the promoters and directors of the companies. The names of these companies are:

1. IFSLLTD.
2. PRIME CAPITAL MKT LTD.,
3. SUBH LAXMI PROJECTS LTD.,
4. GLOBAL CAPITAL MARKETS LTD.,
5. BANKAM INVESTMENTS LTD.,
6. ST SERVICES, AMLUCKIE INVESTMENT CO LTD.
7. KONKAN TYRES LTD.
8. CONSORTEX KARL DOELITZSCH (INDIA) LTD.
9. MINAL ENGINEERING
10. PRIME PROPERTY DEVELOPMENT CORPORATION LTD.
11. PENTAMEDIA GRAPHICS LTD.
12. IND TRA DECO LTD.
13. ELTROL LTD.
14. MEGA CORPORATION LTD.
15. KARUNA CABLES LTD.
16. NAGESHWAR INVESTMENT LTD.,
17. ADINATH BIOLABS LTD.,
18. GLOBE STOCKS & SECURITIES LTD.,
19. GOENKA BUSINESS & FINANCE LTD.
20. CORONET INDUSTRIES LTD.
21. MILLENNIUM CYBERTECH LTD.

Orders are in the nature of `suspending trading` in specific scrips and prohibiting the promoters, directors, persons acting in concert, brokers and clients from buying, selling or dealing in the company's shares till further orders. Further, these companies have been debarred from accessing capital markets till further orders.