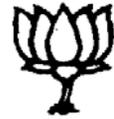


# Dr & CA Kirit Somaiya

B. Com., F.C.A. Ph. D  
Ex - Member of Parliament



5<sup>th</sup> August 2013

To  
Dr. Manmohan Singh  
Prime Minister  
South Block  
New Delhi

Sub: i) Criminal action demanded for Rs.8,000 Crore NSEL Scam.  
ii) Why NSEL-Commodity Exchange allowed becoming Casino.

**NSEL's Forged Warehouse Receipt Scam parallel to Harshad Mehta's forged Bank Receipt Scam**

Dear Sir,

We feel that the Government/Regulators decision to exempt NSEL from all regulatory network in 2007 resulted into the scam of Rs 8000 crores. Small investors & Farmers are the sufferers.

Our Observations: -

- **Thousands of crores siphoned of**
- **Fraud and Forgery of settlement guarantee fund.**
- **Rs 800 crore-settlement guarantee found Rs.60 Crores?**
- **Faked /forged warehouse /stocked receipts.**
- **NSEL says 24 members default Rs.5500 crore. Who are these members?**
- **Misleading manipulative information given by NSEL.**
- **A spot exchange cannot have payment/liquidity/settlement crisis.**
- **Hundred of crores Rs. Of PSU's public sector financial institutions seems to be invested/locked in NSEL scam.**
- NSEL was allowed to function as non-transparent financial service Company.
- For past three years illegal activities such as carry forward/badla transactions, satta bazar were allowed.
- The Consumer Affairs Ministry/Finance Ministry, Forward Market Commission, SEBI ignored rules and allowed all such scandalous forged business activities.
- Government in 2007 exempted NSEL from all the regulatory networks without creating proper regulatory network.
- No regulator bothered to check fraudulent activities of NSEL.

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- Capital market, broker companies invested their clients/innocent investor's money in NSEL's speculative /cover up transactions.
- NSEL was formed for spot/delivery transactions were doing illegal carry forward transactions/satta/cycle of 34 days.
- NSEL was exempted by the Consumer Affairs Ministry to bypass the regulatory network and was allowed to function as speculative exchange/den.

## **In the above situation, we request to investigate/act**

- **Criminal action against all those including NSEL officials, promoters for illegal speculative money laundering activities.**
- How and why Government exempted NSEL from regulatory network.
- How and why FMC and SEBI ignored the illegal activities.
- The roll out activities and transactions of the financial investors/ brokers (who are actually regulated by SEBI) in the NSEL.
- Physical verification of stocks, warehouse receipts owned by NSEL.
- To create confidence in the market clarification be issued (after verification).
  - a) Physical verification of stock by regulators/independent agencies.
  - b) Verification of Warehouses & warehouse receipts.
  - c) Using of NSEL's transactions/money/liquidity for other purposes/ business activities be investigated.
- **Small/genuine/individual investors/farmers be protected first.**
- **No cover up operation be allowed, guilty must be punished.**

We request to do the needful.

**Thanking you.**

**Yours sincerely**

**(Kirit Somaiya ex MP)**  
BJP National Executive Member

**Encl: copy of earlier representation**