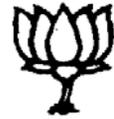


# Dr & CA Kirit Somaiya

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



**Press Note**

**5<sup>th</sup> August 2013**

**Criminal action demanded for Rs.8,000 Crore NSEL Scam.**

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

**Kirit Somaiya**

**Present Rs 8000 crore scam of National Spot Exchange Vayda Bazar Scam is parallel to the Harshad Mehta's forged Bank Receipt scam of 1992/1993 observed BJP leader Dr Kirit Somaiya. The Congress UPA government exempted NSEL in 2007 without creating any regulatory; safety net work is the route cause of the scam. This has allowed the Promoter & Brokers of the NSEL to siphoned of thousands of crores small investors & farmers money. Dr Somaiya demanded immediate action from government. Freezing of all the assets & bank accounts of the defaulters including the foreign bank accounts & assets.**

**DR Somaiya today wrote to Prime Minister & requested steps to protect money of small farmers & innocent investors. Kirit Somaiya recently met the officials of The Ministry, Regulators Forward Market Commission.**

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.**
- **The Consumer Affairs Ministry/Finance Ministry, Forward Market Commission, SEBI ignored rules and allowed all such scandalous forged business activities for past 3 years**
- **No regulator bothered to check fraudulent activities of NSEL.**
- **Capital market, broker companies invested their clients/innocent investor's money in NSEL's speculative /cover up transactions.**

# Dr & CA Kirit Somaiya

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



- 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.**