

February 8, 2006

Shri P. Chidambaram  
Hon'ble Minister of Finance  
Govt. of India  
North Block, New Delhi

Dear Shri Chidambaram,

**Sub: Inquiry/Investigation/Action against Scamsters of  
Demat Account**

**Ref: Recent IPO - Demat Scam**

I refer to the various press reports about the manipulations in the various public issues - IPOs in the recent past. Various experts, Small Investors Associations, Media Reports stated that this has covered more than 25 IPOs - Public Issues of 2005 which has affected the confidence of small investors in the country.

As per the findings of Yes Bank, IDFC, it seems that 50000 Bogus - Benami Demat opened by few individuals have been used to corner the smaller investor's portion in the IPOs. It needs to be investigated since how long this practice has been going on and why no action has been taken by any of the authorities so far. I am given to understand that SEBI, RBI, NSDL, Banks, etc. have not yet initiated any criminal proceedings or any other penal action against Scamsters.

I would like you to have the enquiry in the matter expedited and share the preliminary findings of such investigation with the public. I would also like to know a full fledged study and investigation of the financial transaction of the individuals in the scam ~~which~~ has been carried out and what action has been taken against such individuals. Please also advise what is the extent of losses suffered by the small investors and what steps are intended to compensate the small investors for the losses suffered by them.

I request you to kindly look into the matter urgently and ensure that the interest of the small investors is protected and action is initiated against the persons behind this scam at the earliest.

Thanking you.

Sincerely,

V.P. Goyal

(Member Rajya Sabha)

9.1.06  
Krit Bhai Mulani

Draft enclosed with  
minor modifications.  
This is a desired  
copy

V. Goyal

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