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Chartered Accountant, Ph.D.



**भारतीय जनता पार्टी**

**Bharatiya Janata Party**

**National Secretary**  
**President, Investors' Grievances Forum**

May 18, 2011

Joint Secretary  
Banking Division  
Department of Economic Affairs  
Ministry of Finance  
Government of India  
North Block, Lok Nayak Bhavan  
New Delhi

**Sub: Non-transparent, ambiguous, dubious, scandalous  
Functioning of SPEAK ASIA**

**Ref : Our letter dated 14<sup>th</sup> May 2011**

Dear Sir,

We are sure you have heard about the controversial, scandalous functioning/behavior of the so-called on-line company, SPEAK ASIA. I am enclosing herewith for your ready reference our previous communication in this regard.

I have already filed a complaint with the Economic Offences Wing of Mumbai Police and had an hour long discussion with 3 Inspectors and explained in detail the non-transparent functioning of SPEAK ASIA. It seems SPEAK ASIA is a phoney scheme/company. Under MPID (Maharashtra Protection of Interest of Depositors) Act, it becomes the duty of the Economic Offences Wing, Home Ministry of the State Govt. to take action. The Act while giving power/authority also envisages responsibility.

Actually, SPEAK ASIA has committed all types of violations –

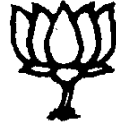
1. Banking regulations
2. Multi-level marketing (MLM) scheme
3. Foreign Exchange rules violation under FERA
4. Violations of provisions of Companies Act
5. Cheating and fraud under IPC Sections 34, 120(b), 406 and 420
6. Bypassing of regulatory system
7. Other violations

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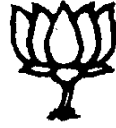
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During the last couple of days, media, particularly electronic media, have exposed SPEAK ASIA. The management of SPEAK ASIA organized a press conference and also came on TV of the electronic media to give explanation. All the explanations are far from satisfactory. It is proved that it is phony scheme. Our observations :

- i) Company does not have any address either in India or anywhere else. It is available only through call centres
- ii) All monies are transferred through net
- iii) Company cheated Indian investors by claiming that they are doing survey for Bata, ICICI, etc. Company management has agreed and accepted that they have lied and expressed apology
- iv) In spite of repeated questioning, Company could not give details of their clients, customers, source of income
- v) Company could not explain what is their actual business
- vi) Company is paying/giving returns to some investors just from the receipts from other investors
- vii) Company is not disclosing details of promoters, shareholders, actual investors by the owners, etc.
- viii) No tangible assets of the Company could be seen
- ix) Balance sheet, profit & loss account – nothing is available
- x) The so-called survey, on-line survey is nothing but dubious one
- xi) In such a short period, Company says it has created 17 lac members and Rs.5,000 crores investment/turnover
- xii) Company's explanation about its Singapore base is also found dubious
- xiii) Company agreed, accepted that the funds are transferred to other countries
- xiv) No background about the officials or promoters available
- xv) The Company says they are collecting Rs.11,000 per member for the so-called e-magazine, which is fully bogus
- xvi) There is no e-magazine. Simple 2 pages on website/email is e-magazine?
- xvii) According to the Company, 17 lac members contributing Rs.11,000 per member/person/account amounts to Rs.1,800 crores alone from such members
- xviii) A person can open dozens of accounts

We once again request that, though it is late, it is the duty of the regulators, Government, your Department to protect the Indian investors, citizens.

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All the regulators including the Ministry of Finance, Home Ministry of the State Govt., Ministry of Finance and Ministry of Home – Government of India, RBI, SEBI, Ministry of Corporate Affairs, Economic Offences Wing of Police, Enforcement Directorate, Banking Ministry must act quickly and protect the money-fund collected from India -

1. Immediate investigation be ordered against the officials/so-called promoters of SPEAK ASIA
2. Their passports be seized
3. Their bank accounts be freezed
4. Action against violations under FERA be ordered
5. Small investors/Indian citizens be protected
6. Government/regulators should see that small investors/Indian citizens money is returned to them

SPEAK ASIA officials claim that they have members/investors..... of 17 lac persons and all of them have paid Rs.11,000/- towards e-magazine. There is no authenticity, names of agents/members available. SPEAK ASIA management through its website, etc., campaign that they have registration at Singapore. But is found that the so-called version/declaration of SPEAK ASIA about Singapore is dubious. They are not regulated at Singapore also.

We request yourself to take prompt action and protect Indian citizens/small investors.

Thanking you,

Yours truly,

DR. KIRIT SOMAIYA