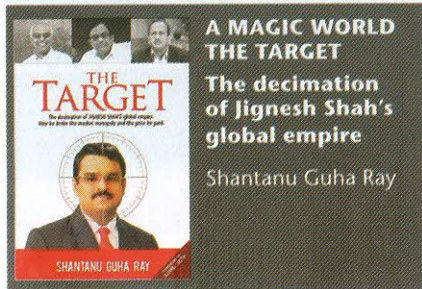


# Conspiracy of the high & mighty

The saga of the payment crisis in the National Spot Exchange



Who hated Shah so much? – This billion dollar question had emerged in the minds of many rational thinkers, including the author of *The Target*, a book that bares all and narrates how Jignesh Shah, who innovated commodity trading exchanges for different classes of assets, was destroyed by a sinister plot devised by powerful brokers at Malabar Hill in India's financial capital, and influential politicians and bureaucrats in Lutyens' Delhi.

Wharton-trained investigative journalist-turned-author, Shantanu Guha Ray brings us the saga of the ₹5,600 crore payment crisis in the National Spot Exchange, in his latest book. The 233-page book titled, *The Target: The decimation of Jignesh Shah's global empire*, tells how he broke the market monopoly and the price he paid.

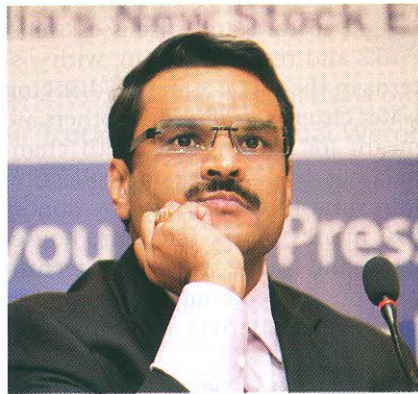
Jignesh Shah, chairman, Financial Technologies India Ltd (FTIL), was a pioneer, who created 10 world-class exchanges across a variety of asset classes, such as commodities, equity, currency, bond and electricity, in a period of merely 10 years in India and abroad. Established by Shah, these companies were original IP-based innovations. Interestingly, these companies did not involve any subsidy from the government or the banks for any land, labour or taxes for which Indian state-run companies and corporate are known to vie with each other.

Yet, this poster boy of commodity exchanges was harassed by vested

business and political interests and interrogated by premier investigating agencies – the Economic Offences Wing of the Mumbai Police, the Central Bureau of Investigations and the Enforcement Directorate. Shah was put behind bars twice. Consequently, his wealth eroded and reputation was tarnished.

Why was Shah punished? He had stepped on too many toes and tried to democratise commodity exchanges.

Ray, who has been practising journalism for over three decades, specialising in business, investigative and human interest features, narrates the agonising moments of this innovative entrepreneur, who could have been a model for Prime Minister Narendra Modi's 'Make in India' Programme. "Was the cold-



blooded and systematic destruction of some of the finest Indian institutions carried out only to promote one company, namely, the National Stock Exchange, and its interests in the market?" asks Ray. "I think the answer lies in the affirmative."

So, the author puts together a saga that is not explored extensively by business reporters from national television channels and print media. This is where Ray picks up his thread. He raises basic investigative questions and concludes that it was a conspiracy of the high and mighty. Ray has identified three of the principal actors, whose mug

shots have been displayed prominently above that of the protagonist, on the cover of the book.

**Intimidation** He draws a parallel between Dhirubhai Ambani, who was harassed by then finance minister V.P. Singh, and his two bureaucrats – Bhurelal and Vinod Pandey. Ray asserts that Shah became a victim of decisions pushed by the then finance minister P. Chidambaram and two of the powerful mandarins in the UPA government.

He also describes how Anjani Sinha, the then CEO of the National Spot Exchange Limited, blamed Shah when the investigators got to him, trying to save his skin and turning sides as he did so, ignoring what he had earlier told the NSEL board. Sinha, in his earlier stint, had to quit the smaller Magadh and Ahmedabad exchanges after the payment crises there.

Harassment, interrogation and arrests followed. FTIL, Shah's holding company, was barred by the Forward Markets Commission (FMC) from running the MCX, a multi-commodity exchange.

Despite Subramanian Swamy, BJP's Rajya Sabha MP, sharply attacking Chidambaram and his son Karti as the masterminds behind the crisis at the NSEL, little has been attempted by the current dispensation to bring the conspirators to book.

It is important to mention that, while different investigative agencies established the entire money trail of ₹5,600 crore to the 24 defaulting brokers of the National Spot Exchange Limited (NSEL), no money trail was established to NSEL, FTIL or its promoters. This was observed by the Bombay High Court in Shah's bail order, after studying the charge sheet. The Special Leave Petition challenging the same was dismissed by the Supreme Court as well.

Asserting how Shah was ahead of his times, Suhel Seth, a social

## Books

---

commentator and columnist, writes in the foreword to the book; “Shantanu has effectively narrated the entire saga of how India’s indigenous growth story was killed, due to some vested interests in corporate and bureaucratic circles, much before ‘Make in India’ was ushered in”.

♦ LANCELOT JOSEPH

[lancelot.joseph@businessindiagroup.com](mailto:lancelot.joseph@businessindiagroup.com)