

**GOVERNMENT OF INDIA
FORWARD MARKETS COMMISSION
MUMBAI**

Press Release

Pursuant to the Inquiry and Inspection of the books of Accounts and documents of certain members of commodity exchanges in respect of trading in future Contracts of Guar Gum and Guar Seed, the interim reports received reveal certain irregularity in the functioning of some of the Members of the Exchange and their clients. Some of the irregularities are as under:

- 1) Transfer of funds to Exchange client accounts maintained by Members from such entities who are not clients of the Member.
- 2) Case of sourcing of funds to meet exchange obligations (MTM) on behalf of client by Members.
- 3) Transfer of funds from common client account to non clients.
- 4) Member facilitating the margin funding of clients from funds borrowed through Member's group companies which are clients of the Members.

The Commission has issued Show Cause Notices to 5 Members and Notices for appearance and production of additional documents have been issued to 30 other entities, clients as well as non-clients.

**Dated the 05th January, 2012
Forward Markets Commission,
'Everest', 3Rd Floor,
100, Marine Drive,
Mumbai**