

NSEL NEWS



Dear Esteemed Stakeholders and Readers,

Welcome to the issue of our MAY 2024 newsletter – NSEL NEWS. We believe that it is our prime duty to keep you updated on the progress of recovery and ongoing litigation against the defaulters and relentless efforts by the new management team of NSEL in this regard. We continue with our journey with full commitment and dedication towards making recovery from defaulters by following the course of law.

With your cooperation and assistance, NSEL has been able to devise an effective strategy for speedy recovery from the defaulters and therefore we urge all of you to join the sustained battle against the defaulters.

NSEL NEWS is a platform for all of us to stay connected with regular updates and for joint action against defaulters for recovery. We would be eager to have your feedback and suggestion about the newsletter.

Best Regards,

Neeraj Sharma
MD & CEO

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SESSIONS COURT UPHOLDS CONVICTION OF SHREE RADHEY TRADING CO. AND PROPRIETOR RAMESH NAGPAL UNDER SECTION 138 OF THE NEGOTIABLE INSTRUMENTS ACT

The Sessions Court has confirmed the order passed by the Metropolitan Magistrate, 33rd Ballard Pier Court, convicting Shree Radhey Trading Co. and its proprietor Ramesh Nagpal for an offence punishable under Section 138 of the Negotiable Instruments Act.

NSEL had filed three complaints in the 33rd Ballard Pier Court, Mumbai, under Section 138 of the Negotiable Instruments Act against Shree Radhey Trading Co. and its proprietor Ramesh Nagpal regarding a cheque bouncing matter for Rs. 34.58 crores. On 14th October 2022, the Hon'ble Court convicted Shree Radhey Trading Co. and Ramesh Nagpal for the offence punishable under Section 138 read with Section 141 of the Negotiable Instruments Act, pursuant to Section 255(2) of the Code of Criminal Procedure. Ramesh Nagpal was sentenced to simple imprisonment for one year, and both Shree Radhey Trading Co. and Ramesh Nagpal were held jointly and severally liable to pay a fine amounting to double the value of the cheque. Ramesh Nagpal was arrested on 26th June 2023 and is currently lodged in the jail at Saharanpur.

Ramesh Nagpal appealed the judgment of conviction and the order of sentence dated 14th October 2022 in the Sessions Court at Mumbai. The Court observed that the Metropolitan Magistrate was justified in concluding that the cheque in question was issued in discharge of a legally enforceable debt or liability. Accordingly, the Sessions Court confirmed the conviction for the offence punishable under Section 138 of the Negotiable Instruments Act, 1881.

METROPOLITAN MAGISTRATE, 33RD BALLARD PIER COURT CONVICTS DEFAULTER YATHURI ASSOCIATES AND ITS PROPRIETOR GAGAN SURI FOR THE OFFENCE PUNISHABLE UNDER SECTION 138

NSEL had filed 3 complaints in 33rd Ballard Pier Court, Mumbai under Section 138 of N.I. Act against defaulter M/s Yathuri Associates and its sole proprietor Mr. Gagan Suri in cheque bouncing matter. Hon'ble Court vide order dated 18th May 2024 has convicted M/s Yathuri Associates and Gagan Suri for the offence punishable under Section 138 r/w. 141 of the Negotiable Instrument Act and under Section 255(2) of the Code of Criminal Procedure. Gagan Suri has been sentenced to simple imprisonment of 1.5 years and Yathuri Associates and Gagan Suri are liable to pay fine of Rs 700 crores within 1 month from the date of order.

MPID COURT ALLOWS DEFAULTER'S APPLICATION FOR PROPERTY RELEASE AGAINST SECURITY

Miscellaneous Application No. 883 of 2023 was filed by Mrs. Mala Devi Agrawal seeking the release of a property in Bengaluru, attached due to the defaulter Aastha Minmet Group's default. The State of Maharashtra had attached the property under the MPID Act, as per the gazette notification dated 22nd June 2015.

On 24th April 2024, the Court approved the application and instructed Mrs. Agrawal to deposit Rs. 2,70,40,000/- (as per valuation done by Quikr Realty) into the Competent Authority's account within 45 days as security in place of the attachment. The Court also specified that if only a part of this

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amount is paid within the 45-day period and the applicant fails to comply fully with the order, the deposited amount will be forfeited, and proceedings under Section 7 of the MPID Act concerning the property will resume. Hence, in compliance of the order Mrs. Agrawal has deposited Rs. 2,70,40,000/- into the Competent Authority's bank account.

MPID COURT DECLARES NSEL BROKERS AS DEPOSIT TAKING INSTITUTIONS

The MPID (Maharashtra Protection of Interest of Depositors) Court has declared stock brokers involved in the NSEL payment crisis as deposit taking Financial Establishment under MPID Act.

In its ruling MPID Court has named 16 brokers including Motilal Oswal Commodities, Philip Commodities India, Nirmal Bang Commodities, Suresh Rathi Commodities, JM Financial Comtrade, Systematix Commodities Services, KR Choksey Commodity Brokers and Roongta Comtrade for accepting money from investors and failed to repay the same. The money accepted from investors and brokers respectively fall under the definition of Sec 2 (c) and 2(d) for Deposit Taking and Financial Establishment under MPID Act. The MPID Court's observation pave the way for State Government to attach properties of brokers having been declared Financial Establishment by designated MPID Court.

Taking cognizance of 11 charge sheets filed by the Economic Offences Wing of Mumbai Police on April 18, the MPID Court had summoned 16 brokers, their 49 directors and entities. The Court ordered these entities to furnish cash bond of ₹50,000 and not to travel out of the country without informing the Court.

The EOW has charge sheeted brokers for misrepresenting their clients with wrongful, misleading statements leading to enticement for investments in NSEL products. It also noted that the brokers misled their investors/clients by assuring risk-free returns and through presentation, marketing materials, brochures or word of mouth induced the investors/clients to trade on NSEL by offering risk-free returns.

<https://www.thehindubusinessline.com/markets/mpid-court-declares-nsel-brokers-as-deposit-taking-institutions/article68124319.ece>

UPDATE ON DISTRIBUTION OF FUNDS TO CLIENTS IN THE RS. 10 LAKHS TO RS. 20 LAKHS CATEGORY BY THE COMPETENT AUTHORITY

To date, approximately 56.34% of NSEL trading clients (6832 clients) with dues up to Rs. 10 lakhs have been settled. If you are a client in this category and have not yet received your payment, please contact the office of the Competent Authority via email at competent.authority.nsel@gmail.com.

Following the MPID Court's order on October 13, 2022, the Competent Authority is diligently working on distributing funds to individual clients with outstanding amounts between Rs. 10 lakhs and Rs. 20 lakhs. Currently, a 30% payout is in progress for 2040 clients in this category. So far, approximately Rs. 53.45 crores has been distributed to about 1390 individuals.

In the event of a client's death, their legal heir should email the succession and legal heir certificates to the Competent Authority at competent.authority.nsel@gmail.com to claim the disbursed amount.

UPDATE ON HIGH-POWERED SUPREME COURT COMMITTEE PROCEEDINGS AGAINST DEFAULTERS/ JUDGEMENT DEBTORS/ GARNISHEES

Various applications, garnishees and issues of law are being decided by Supreme Court Committee (“SCC”) in the execution proceedings. Further tracing, attachment and valuation of assets of Defaulters and other beneficiaries to whom money trail is traced is directed by SCC and are in progress. Supreme Court Committee has lifted corporate veil in Execution matters against NCS Sugar Ltd, White Water Foods Pvt Ltd and Ark Imports Pvt Ltd.

Thereafter Supreme Court Committee vide order dated 17.02.2024 and 10.05.2024 have attached assets of Nageshwar Rao, Narayanam Nikhil, Narayanam Murli, Narayanam Srinivas and Garnishees who are promoters and directors of NCS Sugar Ltd.

AUCTION NOTICE FOR SALE OF DEFAULTER ASSET IN CHENNAI

| Location | Address | Area | EMD Deposit (in INR) | Last Date of Submission of EMD | Date of Auction | Reserve Price (in INR) |
|-----------|---|---|----------------------|--------------------------------|--------------------------------------|------------------------|
| Tamilnadu | Door No. 69/4(part), New No. 98, OS No. 819 (Part) RS No.4905, Leelavathi Building, Western Wing, 3rd floor, Armenian Street, Block no.44, George Town, Chennai, Tamil Nadu- 600001 | Built up Area - 2043 SFT (of which UDS is 643.41 SFT) | 12,61,350 | 12th June 2024 up to 5:00pm | 14th June 2024, 11.00 am to 12.00 pm | 1,26,13,500 |

Pls refer below link for further details

<https://www.quikrrealty.com/property-auction/?id=65a606a8184e9>

If you have any information about DEFAULTERS (Their whereabouts, New Business Ventures, Financial Dealings etc.) pls mail to contact@nationalspotexchange.com

You are requested to send your updated email IDs, address, contact number along with your Client code, Member ID for receiving regular updates on Recovery at email: contact@nationalspotexchange.com

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