

NSEL NEWS



Dear Esteemed Stakeholders and Readers,

Welcome to the issue of our November 2022 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,

Communications Team

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STATE OF MAHARASHTRA ATTACHES ADDITIONAL ASSETS OF DEFAULTER ARK IMPORTS PVT LTD

State of Maharashtra has issued a new gazette notification dated 16th November 2022 attaching additional assets of NSEL defaulter Ark Imports Pvt Ltd worth around Rs. 2.50 crs. As per the gazette, the attachment includes movable and immovable assets. As per process, the Competent Authority would be filing application in MPID Court for making the attachment absolute. Once absolute, the Competent Authority will auction the assets.

NSEL INVESTORS ACTION GROUP (NIAG) FILES APPEAL AGAINST MPID COURT ORDER FOR GRADED DISTRIBUTION TO INDIVIDUAL CLIENTS IN THE RS 10 LAKHS TO RS 20 LAKHS CATEGORY

Two trading client's had approached the Learned Special MPID Court, Mumbai seeking direction to the Competent Authority for distribution of money to the individual trading clients having dues above Rs 10 lakhs up to Rs 20 lakhs. Setting aside opposition by traders' association i.e. NIAG, MPID Court on 13th October 2022 was pleased to pass order directing the Competent Authority to make graded distribution to individual clients who have outstanding amount between Rs 10 lakhs to Rs 20 lakhs from the amount available with the Competent Authority. Kindly note that trader's association NIAG had earlier in 2019 also opposed the distribution of money to the trading clients in the Rs 2 lakhs to Rs 10 lakhs category in the MPID Court and Bombay High Court as well. It would be worthwhile for the small trading clients to remember that the big traders association like NIAG have been showcasing themselves as the messiah and torch bearers campaigning for the cause of the small trading clients, but the truth remains that the big traders association have made every endeavor to deprive the right of small traders by trying to stop distribution of money to the small and needy investors before the various Courts. The Competent Authority was able to distribute money and settle around 6200 small clients only because NIAG's objection to the distribution was rejected by the BHC.

Now, again NIAG has filed appeal against the aforesaid MPID order dated 13th October 2022 in BHC and has raised objection to the distribution of money to the individual trading clients having dues above Rs 10 lakhs up to Rs 20 lakhs. NSEL is in the process of filing intervention to support the cause of the small traders by putting true and correct facts on record and by assisting the Court to arrive at a just and fair conclusion in consonance with the objects of the MPID Act which will ultimately help in the proper adjudication and distribution to the traders whose outstanding claim is between Rs. 10 lakhs to Rs. 20 lakhs.

HIGH-POWERED SUPREME COURT COMMITTEE CONTINUES PROCEEDINGS AGAINST DEFAULTERS/GARNISHEES

The High Powered Supreme Court Committee is continuing with its proceedings for execution of the decrees/orders/arbitral awards obtained by NSEL against the defaulters. Committee is conducting hearing regularly and more than 10-12 hearings were conducted in the month of November 2022. Committee is pressing the Defaulters / Judgement Debtor and Garnishees thereof to complete their pleadings so that substantive orders can be passed. Further, frivolous objections are getting dismissed during the hearing by the Committee. If any of the Defaulters / Judgement Debtor and Garnishees thereof are not complying with the Committee's orders, heavy costs are being imposed to be deposited in Account of the Competent Authority.

In one such case while the proceedings are still going on SCC has directed ED, Mumbai to place the 5000 shares of the (Garnishee in Mohan India Matter) in the custody of SCC and simultaneously deposit in the account of the Competent Authority the amount(s) ED has received from the Garnishee.

Further, SCC has appointed agencies to identify moveable as well as immoveable assets in the names of the Defaulters and garnishees which are mentioned in the order and also to trace further assets, if any. Further, as per the orders, once the properties are traced, identified and attached, agencies have been appointed to submit valuation reports of the properties.

PROTHONOTARY AND SENIOR MASTER OF HON'BLE BOMBAY HIGH COURT REJECTS PROPERTIES OFFERED BY DEFAULTER SHREE TRADHEY TRADING CO

Hon'ble Bombay High Court (BHC) vide order dated 04.10.2021 had passed decree order in favour of NSEL for Rs 32.77 crs against Shree Radhey Trading Co (SRTC). SRTC filed application in BHC seeking a stay on the execution of the decree. By order dated 16th February 2022, a Division Bench of BHC admitted the appeal. Based on NSEL submissions, BHC vide

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order dated 15th September 2022 directed SRTC to secure the decretal amount with interest upto the date of furnishing security to the satisfaction of the Court within six weeks from 15th September 2022 and if SRTC is not in a position to secure the decretal amount with interest, the stay granted by BHC stand vacated without further reference to this Court. SRTC furnished details of properties which it desired to offer as security before the Prothonotary and Senior Master of BHC. NSEL objected the same on the ground that the valuation report is given by the valuer, which is not on the panel of BHC and that properties offered as security are either attached by EOW/ED or mortgaged with the Banks. After hearing the Advocates for both the parties and perusing record, Prothonotary and Senior Master of BHC vide order dated 16th October 2022 has stated that the properties offered by SRTC are either attached by the EOW/ED or mortgaged with the Banks, thus, the subject properties are not sufficient to secure the decretal amount and hence cannot be accepted as security.

METROPOLITAN MAGISTRATE, 33RD BALLARD PIER COURT CONVICTS DEFAULTER SHREE RADHEY TRADING CO. AND ITS PROPRIETOR RAMESH NAGPAL FOR THE OFFENCE PUNISHABLE UNDER SECTION 138

NSEL has filed 3 complaints in 33rd Ballard Pier Court, Mumbai under Section 138 of N.I. Act against defaulter Shree Radhey Trading Co. and its proprietor Ramesh Nagpal in cheque bouncing matter for Rs. 34.58 Crs.

Hon'ble Court vide order dated 14th October 2022 has convicted Shree Radhey Trading Co. and its proprietor Ramesh Nagpal for the offence punishable under Section 138 r/w. 141 of the Negotiable Instrument Act vide Section 255(2) of the Code of Criminal Procedure. Ramesh Nagpal has been sentenced to simple imprisonment of one year and Shree Radhey Trading Co. and Ramesh Nagpal are severally and jointly liable to pay fine of double the amount of cheque within 1 month from 14th October 2022.

SEBI BARS FIVE BROKERS FOR UPTO SIX MONTHS

Securities and Exchange Board of India (SEBI) vide order dated 29th November 2022 barred five brokers for up to six months from making fresh applications seeking registration as commodity brokers as they failed to meet 'fit and proper' criteria in the NSEL matter. In 2019, SEBI had passed orders against these brokers, declaring them "not fit and proper" to continue as a commodity brokers. This order was challenged by the brokers before the Securities Appellate Tribunal. SAT vide its order dated 9th June 2022 allowed the appeals filed by NSEL. SAT, while remanding the matter back to SEBI for considering various allegations against the Brokers such as the complaint letters of NSEL, EOW report, EOW charge sheet, etc., expunged the adverse observations/ findings made against NSEL by SEBI. SAT in its order has urged SEBI to consider conducting an independent enquiry proceeding against the connected entities and persons associated with the 5 brokers against whom evidence is available which is to be completed within a period of 6 months.

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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