

OMP (ENF.) (COMM.) No. of 2019

.....Decree Holder

Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

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S. No.	Documents	Originals/ Photocopies/ Office Copies filed with the present petition	Original Document in the control and custody of	Mode of Execution	Line of Custody	Page No.
						1-2
1	Board Resolution	Original	Petitioner		Petitioner	3
2	Copy of the Order dated 01.11.2018 passed by the Hon'ble High Court of Bombay.	Original	All Parties		In the Custody of all the parties	4 - 7
3	Copy of Settlement agreement dated 30.10.2013	Photocopy	All Parties		In the Custody of all the parties	8 - 50
4	Copies of the Civil suit No.109 of 2015 titled NSEL vs Mohan India Pvt. Ltd. & Ors. and Civil Suit No. 106 of 2015 titled NSEL vs Tavishi Enterprises Pvt. Ltd. & Ors.	Photocopy	All Parties		In the Custody of all the parties	51 - 213

Filed By:



RKP & Associates

Advocates for the Decree Holder

301 Ashadeep Building,

9, Hailey Road, New Delhi 110001

Phone: 9891982555(M)

Place: New Delhi

Dated: 11-01-2019

1

IN THE HIGH COURT OF DELHI AT NEW DELHI

OMP (ENF.) (COMM.) No. of 2019

IN THE MATTER OF :-

National Spot Exchange Ltd.

.....Decree Holder

Versus

Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

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40
Filed By:

Rahul

RKP & Associates

Advocates for the Decree Holder

301 Ashadeep Building,

9, Hailey Road, New Delhi 110001

Phone: 9891982555(M)

Place: New Delhi

Dated:

2

IN THE HIGH COURT OF DELHI AT NEW DELHI
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IN THE MATTER OF :-

National Spot Exchange Ltd.

.....Decree Holder

Versus

Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

URGENT APPLICATION

To,
The Registrar,
High Court of Delhi,
New Delhi

Sir,

Kindly treat the accompanying application as an urgent one in accordance with Delhi High Court Rules, 1966.

The Ground(s) of urgency is that:

Decree Holder is seeking Execution of the Settlement Agreement dated 30.10.2013 entered under section 73 of the arbitration and conciliation act, affirmed as Arbitration Award vide Order dated 01.11.2018 by the Hon'ble High Court of Bombay, against the Judgment Debtor.

Filed By:



RKP & Associates

Advocates for the Decree Holder

301 Ashadeep Building,

9, Hailey Road, New Delhi 110001

Phone: 9891982555(M)

Place: New Delhi

Dated:

IN THE HIGH COURT OF DELHI AT NEW DELHI
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IN THE MATTER OF :-

National Spot Exchange Ltd.

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Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

NOTICE OF MOTION

TAKE NOTICE that the accompanying Petition is being filed on behalf of the Decree Holder and is likely to be listed before the Hon'ble Court on _____ at 10:30 O' Clock in the forenoon or as per the convenience of the Hon'ble Court.

Filed By:



RKP & Associates

Advocates for the Decree Holder

301 Ashadeep Building,

9, Hailey Road, New Delhi 110001

Phone: 9891982555(M)

Place: New Delhi

Dated:

LIST OF DATES

31.07.2013	<p>The decree Holder is an electronic spot exchange which provides an electronic platform for the willing buyers and willing sellers to trade in commodities. The Judgment Debtors 1, 2 & 3 were the trading members of the Decree Holder having trading ID numbers 14510, 14740 and 14730 respectively. In course of their dealings and trading in commodity like sugar done by the Judgment Debtors No. 1, 2 & 3 on the electronic platform of the Decree Holder, as on 31.07.2013 they incurred a liability of Rs.922 Crores (i.e. Mohan India Pvt. Ltd. Rs.575 Crores, Tavishi Enterprises Pvt. Ltd. Rs.333 Crores and Brinda Commodity Ltd. Rs.14 Crores) towards the Decree Holder.</p>
28.08.2013	<p>Owing to the failure of the Judgment Debtors to clear their aforesaid liability the Judgment Debtor No.1 to 3 were declared as "defaulter" in terms of Bye-Laws of Decree holder.</p>
2013	<p>Decree Holder and Judgment Debtor Nos. 1 to 3 initiated a conciliation process under the Arbitration and Conciliation Act, 1996 ("Act") and appointed Mr. Neeraj Aarora, Advocate (Enrolment No.D/973/2008) to act as a Conciliator under Section 73 of the Act.</p>

30.10.2013

During the Conciliation Process, Judgment Debtors acknowledged their liability and entered into a Settlement Agreement dated 30.10.2013 ("**Settlement Agreement**") whereby they undertook to pay an amount of Rs. 771 Crores as Settlement amount to the Decree Holder. The Settlement Agreement was signed by Judgment Debtor Nos. 4 to 10 as the Confirming Parties. This Settlement Agreement is equivalent to a settlement award as contemplated under Section 74 of the Act. The details of computation of Rs. 922 Crores is mentioned in Schedule 1 to this Settlement Agreement. By way of this settlement agreement the Judgment Debtors agreed to pay the settlement amount of Rs.771 Crores to the Decree Holder in 13 installments as mentioned in Schedule 2 to this Agreement.

November 2013
- October 2014

The Judgment Debtors paid a total amount of Rs.29.70 Crores from time to time from November 2013 to October 2014 towards its admitted liability at that point in time as per the Settlement Agreement but then defaulted in the payment of other installments. Infact the other post dated cheques issued by the Judgment Debtors got dishonoured for the reason "Funds Insufficient" whereafter the Decree Holder filed the complaint cases under

Negotiable Instruments Act, 1881 for dishonor of cheques against the Judgment Debtor.

November 2014 *Civil Suit No.109 of 2015 titled NSEL vs Mohan India Pvt. Ltd.& Ors. and Civil Suit No. 106 of 2015 titled NSEL vs. Tavishi Enterprises Pvt. Ltd. & Ors.,* were filed against the Judgment Debtors by the Decree Holder for the recovery of the defaulted amount of Rs.922 Crores. The said suit was renumbered as *Commercial Suit No. 80 of 2015 titled NSEL vs Mohan India Pvt. Ltd. &Ors. and Commercial Suit No. 85 of 2015 titled NSEL vs Tavishi Enterprises Pvt. Ltd. & Ors.* In the said civil suit various notice of motions were filed and orders were passed against the Judgment Debtors from time to time.

01.11.2018 The Hon'ble High Court of Judicature at Bombay disposed of the suits i.e. *Commercial Suit No. 80 of 2015 titled NSEL vs Mohan India Pvt. Ltd. & Ors. and Commercial Suit No. 85 of 2015 titled NSEL vs. Tavishi Enterprises Pvt. Ltd. & Ors.* The Hon'ble High Court observed that "..... A settlement agreement between the parties arrived at under Section 73 of the Arbitration and Conciliation Act has been signed by the parties and authenticated by the conciliator. *The agreement has an effect of an arbitral award. Since the controversy in the present suit has thus been adjudicated upon*

and disposed of in terms of the settlement agreement, it is agreed between learned counsel for all the parties that the present suit does not survive and may be disposed of; instead the Plaintiff may be permitted to apply for execution of the settlement agreement as an arbitral award”.

10.01.2019

Hence, the present execution petition.

The present Execution Petition is being filed by the Decree Holder i.e. National Spot Exchange Ltd. against the Judgment Debtors praying for execution of the settlement agreement entered under Section 73 of the Arbitration and Conciliation Act, 1996 during Conciliation proceedings, which has an effect of an arbitral award. In the Conciliation process the Judgment Debtors had admitted their liability towards all obligations of the Judgment Debtors towards the Decree Holder as of 31st August 2013 and had agreed to repay the settlement amount of Rs.771 Crores ("**Settlement Amount**") to the Decree Holder in following ways:

- 1) It was agreed that Mohan Group unequivocally owes to NSEL/Decree Holder the Settlement Amount, out of which it shall pay Rs.736 Crores to the NSEL/Decree Holder in 13 (thirteen) trenches as per the payment schedule set forth in the Schedule 2 (Payment Schedule) of the Settlement Agreement.
- 2) The remaining Rs.35 Crores would be paid by assigning a debt of Rs.35 Crores, legally and validly owed by Mr. S.R. Bhalotia, a citizen of India currently residing at Pragya Apartment, 203 A, Ground Floor, Block A, Lake Tower, Kolkata 700089 and holding a PAN Card No.ADBPB4483A to the Mohan Group, in favor of the Decree holder.

- 3) In case of failure of the payment by the Judgment Debtor, the clause 4.2.1.(a) deals with the present issue i.e. default in payment after the first installment. In case the Judgment Debtor fails to pay the second settlement payment tranche, then the Decree Holder shall;
- i) forfeit the sum of Rs.11 Crores paid as first settlement payment tranche,
 - ii) undertake steps in accordance with clause 2.3 and forfeit the amount received by Decree Holder pursuant to such steps to the extent of Rs.139 Crores as damages. Any amount received by the Decree Holder pursuant to the aforesaid steps undertaken in accordance with clause 2.3 (i.e. by sale of the properties) which exceed the agreed damages of Rs.150 Crores, shall be adjusted towards the settlement amount.

The facts in brief are such that the Judgment Debtors No.1-3 became the trading member of the Decree Holder whereafter the Judgment Debtors were conferred with the right to trade and clear through the clearing house of Decree Holder and was allowed to make deals for themselves as well as on behalf of their clients and clear and settle such deals only. The Judgment Debtors are related /associated entities and are largely and substantially controlled by the same management.

Due to impending defaults of pay-in, the Decree Holder suspended trading all the contracts except e-series contracts vide circular dated 31.07.2013 w.e.f. 31.07.2013 by merging the delivery and settlement of all pending contracts and deferring it for a period of 15 days. Consequently, it was directed that the position outstanding in the contracts would be settled by way of delivery and payment after expiry of 15 days. The Decree Holder came to know that the outstanding amount payable by the Judgment Debtors in view of the various transaction of sugar is amounting to Rs.922 Crores (i.e. Mohan India Pvt. Ltd. Rs.575 Crores, Tavishi Enterprises Pvt. Ltd. Rs.333 Crores and Brinda Commodity Ltd. Rs.14 Crores).

That, with a view to settle the dispute amicably the Judgment Debtors and the Decree Holder entered into a settlement agreement on 30.10.2013, as a settlement award as contemplated under Section 73 of the Arbitration and Conciliation Act, 1996 for the payment of Rs.771 Crores by Judgment Debtor No.1 on its behalf and its sister concerns in 13 installments.

That The Judgment Debtors paid a total amount of Rs.29.70 Crores from time to time in the period between November 2013 to October 2014 towards its outstanding liability at that point in time but then defaulted in the payment of other installments. Infact the other post dated cheques issued by the Judgment

Debtors got dishonoured for the reason "Funds Insufficient" whereafter the Decree Holder filed the complaint cases under Negotiable Instruments Act, 1881 for dishonor of cheques against the Judgment Debtors in Bombay..

That, *Civil suit No.109 of 2015 titled NSEL vs Mohan India Pvt. Ltd. &Ors.* and *Civil Suit No. 106 of 2014 titled NSEL vs Tavishi Enterprises Pvt. Ltd. &Ors.*, were filed against the Judgment Debtors by the Decree Holder for the recovery of the defaulted amount of Rs. 731.69 Crores and Rs. 347.02 Crores respectively in the Hon'ble High Court of Judicature of Bombay. The said suit was renumbered as *Commercial Suit 80 of 2015 titled NSEL vs Mohan India Pvt. Ltd. & Ors.* and *Commercial Suit 85 of 2015 titled NSEL vs Tavishi Enterprises Pvt. Ltd. & Ors.* In the said civil suit various notice of motions were filed and orders were passed from time to time against the Judgement Debtors.

That, the Hon'ble Judge of the Hon'ble High Court of Judicature of Bombay disposed of the suits i.e. *Commercial Suit 80 of 2015 titled NSEL vs Mohan India Pvt. Ltd. & Ors.* and *Commercial Suit 85 of 2015 titled NSEL vs Tavishi Enterprises Pvt. Ltd. & Ors* on 1st November 2018. The Ld. Judge observed that "..... A settlement agreement between the parties arrived at under Section 73 of the Arbitration and Conciliation Act has been signed by the parties and authenticated by the conciliator. The agreement has an effect of an arbitral award. Since the

controversy in the present suit has thus been adjudicated upon and disposed of in terms of the settlement agreement, it is agreed between learned counsel for all the parties that the present suit does not survive and may be disposed of; instead the Plaintiff may be permitted to apply for execution of the settlement agreement as an arbitral award".

IN THE HIGH COURT OF DELHI AT NEW DELHI
OMP (ENF.) (COMM.) No. of 2019

IN THE MATTER OF :-

National Spot Exchange Ltd.

.....Decree Holder

Versus

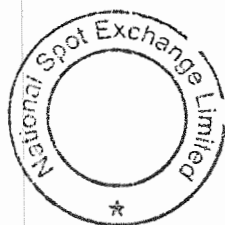
Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

Application under Order XXI Rule 11 (2) of the Code of Civil Procedure along with affidavit on behalf of the Decree Holder for Execution of the Settlement Agreement dated 30.10.2013 entered under section 73 of the Arbitration and Conciliation Act, declared as Arbitration Award vide Order dated 01.11.2018 by the Hon'ble High Court of Bombay, against the Judgment Debtor

THE ABOVE NAMED DECREE HOLDER PRAYS FOR EXECUTION OF THE SETTLEMENT AGREEMENT DATED 30.10.2013 ENTERED UNDER SECTION 73 OF THE ARBITRATION AND CONCILIATION ACT, DECLARED AS ARBITRATION AWARD VIDE ORDER DATED 01.11.2018 BY THE HON'BLE HIGH COURT OF BOMBAY, THE PARTICULARS WHEREOF ARE STATED IN THE COLUMNS HEREUNDER:

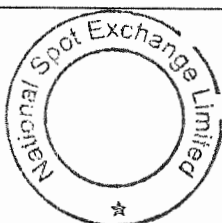
1.	No. of Suit	<i>Commercial Suit No. 80 of 2015 titled NSEL vs Mohan India Pvt. Ltd. & Ors. and Commercial Suit No. 85 of 2015 titled NSEL vs Tavishi Enterprises Pvt. Ltd. & Ors. wherein, vide order dated 01.11.2018, while disposing of the suits the Hon'ble High Court stated that the Settlement Agreement dated 30.10.2013 (whereby a settlement agreement was executed between the parties</i>
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Shish

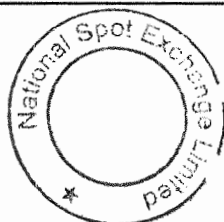
		under section 73 of Arbitration and Conciliation Act) has an effect of an Arbitral award.
2.	Name of Parties	<p>1) Decree Holder- National Spot Exchange Ltd. (NSEL), 6th Floor, Chintamani Plaza, Chakala, Andheri Kurla Road, Andheri (East), Mumbai – 400 099</p> <p>2) Judgment Debtors:</p> <p>i) Mohan India Pvt. Ltd Office No.354, Tarun Enclave Pitampura, New Delhi – 110034</p> <p>ii) Tavishi Enterprises Pvt. Ltd., Office at 1A/101, Rangrasyan Apartment, Sector 13, Rohini, New Delhi – 110085</p> <p>iii) Brinda Commodity Pvt. Ltd. Office at D-Mall, Pitampura, New Delhi 110008</p> <p>iv) Mrs. Rashmi Gupta, W/o Mr. Jagmohan Garg Residing at 81, Vaishali, Pitampura, Shalimar Bagh, North West Delhi, New Delhi 110088</p>

		<p>v) Mrs. Suman Gupta, W/o Mr. Hari Mohan Gupta, Residing at 1A/101, Rangrasyan Apartments ,Sector 13, Rohini, New Delhi 110085</p> <p>vi) Jaishree Baba Projects Pvt. Ltd., Office at No.354, Tarun Enclave,Pitampura, New Delhi-110034</p> <p>vii) Mohan Infracon Pvt. Ltd., Office at No.354, Tarun Enclave, Pitampura, New Delhi- 110034</p> <p>viii) Mera Baba Reality Associates Pvt. Ltd.,Office at D-Mall, A-1, Netaji SubhashPlace, Pitampura, New Delhi110034</p> <p>ix) Mr. Jaishankar Shrivastava, Director of Mohan India Pvt. Ltd, and Mohan Infracon Pvt. Ltd.</p> <p>Residing at G-401, Utsav Enclave,HalwasiaAppartments, Opp. HAL, Lucknow, U.P. 226006</p> <p>x) Mr. Jagmohan Garg, Director of Mohan India Pvt. Ltd,Jaishree Baba Projects Ltd. andMera Baba Realty</p>
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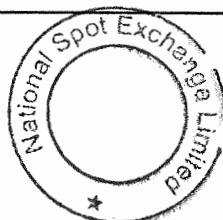
Shishu

		Associates Pvt. Ltd. Residing at KU-73, Pitampura, New Delhi -110034
3.	Date of Decree/order of which execution is sought	30.10.2013
4.	Whether an appeal was filed against the decree / order under execution	NO
5.	Whether any payment has been received towards satisfaction of decree-order	NO
6.	Whether any application was made previous to this and if so their dates and results	NO
7.	Amount of suit along with interest as per decree or any other relief granted by the decree	Awarded amount: Rs.771,00,00,000/- Interest amount: @18% per annum from 30.08.2013: Rs.740,16,00,000/- Damage Amount as per Clause 4.2.1 (a) Arbitration Award dated 30.10.2013 in the form of Settlement Agreement: Rs. 120,30,00,000/- Total: 1631,46,00,000/-
8.	Amount of costs if allowed by Court	NO
9.	Against whom execution is sought	i) Mohan India Pvt. Ltd Office No.354, Tarun Enclave Pitampura, New Delhi - 110034 ii) Tavishi Enterprises Pvt. Ltd.,



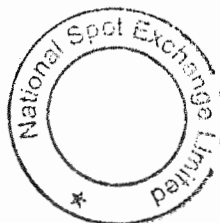
Shish

		<p>Office at 1A/101, Rangrasyan Apartment, Sector 13, Rohini, New Delhi – 110085</p> <p>iii) Brinda Commodity Pvt. Ltd. Office at D-Mall, Pitampura, New Delhi 110008</p> <p>iv) Mrs. Rashmi Gupta, W/o Mr. Jagmohan Garg Residing at 81, Vaishali, Pitampura, Shalimar Bagh, North West Delhi, New Delhi 110088</p> <p>v) Mrs. Suman Gupta, W/o Mr. Hari Mohan Gupta, Residing at 1A/101, Rangrasyan Apartments, Sector 13, Rohini, New Delhi 110085</p> <p>vi) Jaishree Baba Projects Pvt. Ltd., Office at No.354, Tarun Enclave, Pitampura, New Delhi-110034</p> <p>vii) Mohan Infracon Pvt. Ltd., Office at No.354, Tarun Enclave, Pitampura, New Delhi- 110034</p> <p>viii) Mera Baba Reality Associates Pvt. Ltd., Office at D-Mall, A-1, Netaji Subhash Place, Pitampura, New Delhi 110034</p> <p>ix) Mr. Jaishankar Shrivastava,</p>
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Jaishankar

		<p>Director of Mohan India Pvt. Ltd, and Mohan Infracon Pvt. Ltd.</p> <p>Residing at G-401, Utsav Enclave, Halwasia Apartments, Opp. HAL, Lucknow, U.P. 226006</p> <p>x) Mr. Jagmohan Garg, Director of Mohan India Pvt. Ltd, Jaishree Baba Projects Ltd. and Mera Baba Realty Associates Pvt. Ltd.,</p> <p>Residing at KU-73, Pitampura, New Delhi -110034</p>
10	In what manner court's assistance is sought	By directing the Judgment Debtors to pay the awarded amount with interest. In case Judgment Debtors fails to pay the awarded amount with interest or any part thereof, by attachment and sale of the properties of Judgment Debtors.
11.	By the arrest and detention in prison of any person	<p>1)Mr. Jag Mohan Garg</p> <p>2)Mr. Jai Shankar Shrivastava</p> <p>3) Mrs. Rashmi Gupta</p> <p>4) Suman Gupta</p>



Rashmi Gupta

THE ABOVE NAMED DECREE HOLDER PRAYS FOR EXECUTION OF THE SETTLEMENT AGREEMENT DATED 30.10.2013 ENTERED UNDER SECTION 73 OF THE ARBITRATION AND CONCILIATION ACT, DECLARED AS ARBITRATION AWARD VIDE ORDER DATED 01.11.2018 BY THE HON'BLE HIGH COURT OF BOMBAY, AGAINST THE JUDGMENT DEBTOR.

National Spot Exchange Ltd.
Decree Holder

Through

Mr. Sudhanshu Pandey,
Authorised Representative

Verification:-

I, Sudhanshu Pandey, S/o Sh. Panth Narayan Pandey, aged about 36 years, working as Manager, Recovery Department, National Spot Exchange Ltd. having office at 6th Floor, Chintamani Plaza, Chakala, Andheri Kurla Road, Andheri (East), Mumbai - 400 099, presently at New Delhi do hereby verify that the contents of this application are true to my knowledge and belief.

Place : New Delhi

Dated :



Mr. Sudhanshu Pandey,
Authorised Representative

Through

[Signature]

RKP & Associates

Advocates for the Decree Holder

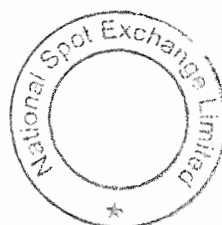
301 Ashadeep Building,

9, Hailey Road, New Delhi 110001

Phone: 9891982555(M)

Place: New Delhi

Dated: 11-09-2019



[Signature]

23

IN THE HIGH COURT OF DELHI AT NEW DELHI
OMP (ENF.) (COMM.) No. of 2019

IN THE MATTER OF :-

National Spot Exchange Ltd.

.....Decree Holder

Versus

Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

**LIST OF MOVABLE AND IMMOVABLE PROPERTIES OF
JUDGMENT DEBTOR TO BE ATTACHED**

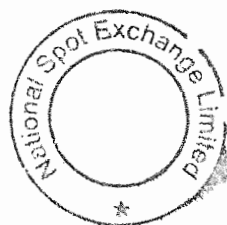
A. MOVABLE PROPERTIES:

SR NO.	PROPERTY TYPE	DETAILS
1	Bank account	Bank account Axis Bank-pritampura - A/C No. 912020033806451
2	Bank account	Bank account Axis Bank-pritampura - A/C No.912020060581129
3	Bank account	Bank account Axis Bank-Pitampura - A/C No. 913020014029443
4	Bank account	Bank account Axis Bank-Rohini Delhi - A/C No.913020014029582
5	Bank account	Bank account Mohan India Pvt Ltd. Yes Bank, Pitampura A/C No.018483800003441
6	Bank account	Bank account Jag Mohan Garg Yes Bank, Pitampura A/C No. 018490700001590
7	Bank Account	Bank Account Jagmohan Gupta Axis Bank A/C No.910010004736234
8	Bank Account	Bank Account Mohan India Pvt. Ltd Axis Bank Ltd, Rohini West, Delhi 912020033806451
9	Bank Account	Bank Account Mohan India Pvt. Ltd Axis Bank, Deepali Chowk, Delhi. A/C No.912020060581129
10	Bank Account	Bank Account Brinda Commodity Pvt. Ltd. Axis Bank, Deepali Chowk, Delhi. A/C No.913020014029443
11	Bank Account	Bank Account Tavishi Enterprises Pvt. Ltd. Axis Bank, Deepali Chowk, Delhi. A/C No.913020014029582
12	Bank Account	Bank Account Divine Utility Service Pvt. Ltd.



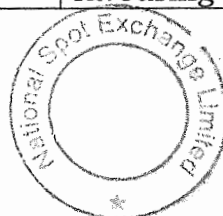
Shri Sh

		Axis Bank Ltd, Rohini West, Delhi. A/C No.431010200013767
13	Bank Account	Bank Account Tirupati Infra Project Pvt. Ltd. Axis Bank Ltd, Rohini West, Delhi.A/C No. 431010200013651
14	Bank Account	Bank Account Tirupati Infra Project Pvt. Ltd. Axis Bank Ltd, Daryaganj, New Delhi.A/C No. 279010200005890
15	Bank Account	Bank Account Yukati Builders Pvt. Ltd. Axis Bank Ltd, Rohini West, Delhi.A/C No. 912020068088752
16	Bank Account	Bank Account Mohan Infracon Pvt. Ltd. Axis Bank Ltd, Rohini West, Delhi. A/C No.910020016141397
17	Bank Account	Bank Account Singh Legal Process outsourcing Pvt. Ltd. Axis Bank, Malviya Nagar. A/C No.909020036818776
18	Bank Account	Bank Account Harimohan Axis Bank Ltd., Ranibaug, Delhi. A/C No.263010100014702
19	Bank Account	Bank Account Madanmohan Gupta Axis Bank Ltd, Rohini West, Delhi. A/C No.911010010897061
20	Bank Account	Bank Account Rashmi Gupta Axis Bank Ltd, Rohini West, Delhi. A/C No.913010020725806
21	Bank Account	Bank Account Mohan India Pvt. Ltd Yes Bank, Netaji Subhash Place Pitampura. A/C No.18483800003441
22	Bank Account	Bank Account Mera Baba Reality Associate Pvt. Ltd. Yes Bank, Netaji Subhash Place Pitampura.A/C No. 18484100000056
23	Bank Account	Bank Account Divine Utility Service Pvt. Ltd. Yes Bank, Netaji Subhash Place Pitampura.A/C No. 18484100000032
24	Bank Account	Bank Account Vibrant Buildcon Pvt. Ltd. Yes Bank, Netaji Subhash Place, Pitampura, Delhi. A/C No.18483900000088
25	Bank Account	Bank Account Mera Baba Reality Pvt. Ltd. Kotak Mahindra Bank, Vasihali Pitampura Delhi. A/C No.2711443756
26	Bank Account	Bank Account Divine Utility Service Pvt. Ltd. Kotak Mahindra Bank, Vasihali Pitampura Delhi. A/C No.9811461734
27	Bank Account	Bank Account Mohan Build Mart Pvt. Ltd. Kotak Mahindra Bank, Vasihali Pitampura Delhi.A/C No. 5312071212
28	Bank Account	Bank Account Mera Baba Reality Pvt. Ltd. Indusind Bank, Kohat Enclave, Pitampura.



Shini 8h

		A/C No.201002550658
29	Bank Account	Bank Account Divine Utility Service Pvt. Ltd. Indusind Bank, Kohat Enclave, Pitampura.A/C No. 201002555585
30	Bank Account	Bank Account ASJ Infratech Pvt. Ltd. Indusind Bank,Kohat Enclave, Pitampura. A/C No.201002604801
31	Bank Account	Bank Account Tirupati Infra Project Pvt. Ltd. Canara Bank, Barakhamba Lane, New Delhi. A/C No.1942201075338
32	Bank Account	Bank Account Tirupati Infra Project Pvt. Ltd. Union Bank of India,Connaught Place, New Delhi.A/C No. 497901011000296
33	Bank Account	Bank Account Tirupati Infra Project Pvt. Ltd. Union Bank of India,Connaught Place, New Delhi. A/C No.497906410000008
34	Bank Account	Bank Account Tirupati Infra Project Pvt. Ltd. Bank of India, Janpath, New Delhi.A/C No. 605965410000019
35	Bank Account	Bank Account Tirupati Infra Project Pvt. Ltd. Bank of India, Janpath, New Delhi.A/C No. 605920110000034
36	Bank Account	Bank Account Mohan Built and Developers Pvt. Ltd. RBL Bank, Kohat Enclave, Pitampura, New Delhi.A/C No. 409000644203
37	Bank Account	Bank Account Mohan Built and Developers Pvt. Ltd. IDFC Bank, Netaji Subhash Place, Pitampura, Delhi. A/C No.10020082044
38	Bank Account	Bank Account Mohan Infracon Pvt. Ltd. State Bank of India, Shakurpur branch, Delhi.A/C No. 30250040363
39	Bank Account	Bank Account Man Mohan Gupta @ Man Mohan Garg Standard Chartered Bank, Punjabi Bagh, Delhi.A/C No. 54510233948
40	Bank Account	Bank Account Man Mohan Gupta @ Man Mohan Garg ICICI BANK, Punjabi Bagh, Delhi.A/C No. 15501500138
41	Car	Car Car - Toyota Fortuner (DL8CX9369)
42	Car	Car Car - Mini Cooper (DL6CM1916)
43	Car	Car Car - Traveller (Diesel) Motor Car - UP83AA1212
44	Car	Car Porshe - DL3CAY7048
45	Car	Car Audi - HR26CB0428
46	Car	Car Rolls Royce - Ghost Petrol - DL1CP9594
47	Income	Income Income from Bikaner land
48	Income tax	Income tax P.O. No. 8109 / 30.09.2013 of Axis Bank, Deepali Enclave Branch, Delhi, favouring



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		Director of Income Tax (Investigation) - II, New Delhi, drawn from the account of Shri Ram Awadh Sharma.
49	Income tax	Income tax P.O. No. 8108 / 30.09.2013 of Axis Bank, Deepali Enclave Branch, Delhi, favouring Director of Income Tax (Investigation) - II, New Delhi, drawn from the account of Shri Ram Awadh Sharma.
50	Income tax	Income tax PO No. 77897 / 01.10.2013 of Axis Bank, Malviya Nagar Branch, Delhi, favouring director of Income tax (Investigation)-II New Delhi, Drawn from the account of Worldwin Consultant India Pvt Ltd
51	Income tax	Income tax P. O. No. 8218/24.10.13 of Axis Bank :Deepali Enclave Branch, Delhi , Favouring Director of Income tax (Investigation)-II New Delhi,drawn from the account of Shri Jaishankar Srivastava
52	Income tax	Income tax P. O. No. 74301/24.10.13 of Axis Bank :Rohini Branch, Delhi , Favouring Director of Income tax (Investigation)-II New Delhi,drawn from the account of Shri Jagmohan Gupta
53	Shares	Shares JAI SHANKAR SHRIVASTAVA - 50 % shares In Hotel Camphar Panji Goa Owned By M/s. Timber Trail Travel Today Pvt Ltd. Chandigarh
54	Shares	Shares 936710 shares of Mera Baba Reality Associates Pvt Ltd
55	Shares	Shares 840000 shares of Mera Baba Reality Associates Pvt Ltd
56	Shares	Shares M/s. Tirupati Infraproject Pvt. Ltd. 50% Shares in Radisson Blu Hotel, New Delhi owned by M/s. Tirupati Infraproject Pvt. Ltd., New Delhi.
57	Shares	Shares 1000000 shares of Divine Infracon Pvt Ltd.
58	Shares	Shares 250400 shares of Divine Infracon Pvt Ltd.
59	Shares	Shares 250500 shares of Divine Infracon Pvt Ltd.
60	Shares	Shares 200500 shares of Divine Infracon Pvt Ltd.
61	Shares	Shares 195350 shares of Divine Infracon Pvt Ltd.
62	Shares	Shares 27045 shares of MB Infrabuild Pvt Ltd

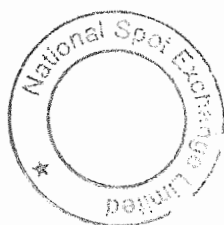


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63	Shares	Shares 1259180 shares of Mera Baba Reality Associates Pvt. Ltd.
64	Shares	Shares 1250000 shares of Mera Baba Reality Associates Pvt. Ltd.
65	Shares	Shares 413340 shares of Mera Baba Reality Associates Pvt. Ltd.

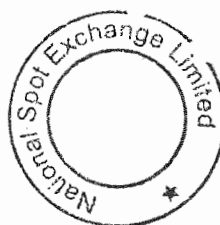
B. IMMOVEABLE PROPERTIES:

SR NO.	PROPERTY TYPE	PROPERTY DETAILS
1	Flat / House	KHASARA NO. 468, BUNGLOW NO. 7, COURT ROAD, CIVIL LINES, NEW DELHI 110054. 15666 SQ YARDS
2	Land	LAND AT BIKANER, RAJASTHAN 161.37 ARCE LAND. 161.37 ARCE LAND
3	Land	LAND AT BIKANER, RAJASTHAN 174.75 ARCE LAND. 174.75 ARCE LAND
4	Land	LAND AT BIKANER, RAJASTHAN 164.10 ARCE LAND. 164.10 ARCE LAND
5	Flat / House	FLAT NO. 3401, GOMATI ENCLAVE, LUCKNOW, UTTAR PRADESH.
6	Farm House	FIVE FARM HOUSES AT SAINIK FARMS, DELHI.
7	Land	AGRICULTURAL LAND AT VILLAGE DHASA & DICHOLI, DELHI.
8	Land	OPEN POLT WITH FLATS KARNAL, HARYANA.
9	Flat / House	K U 73, PITAMPURA, DELHI.
10	Flat / House	MS RASHMI GUPTA MS RASHMI GUPTA, W/O MR. JAG MOHAN GUPTA, HOUSE NO-81, PITAMPURA, SHALIMAR BAGH, NORTH WEST DELHI-88, NEW DELHI. 270.83 sq yards
11	Flat / House	MS SUMAN GUPTA MS SUMAN GUPTA, W/O MR. HARI MOHAN GUPTA, 1A/101, RANGRASYAN APARTMENT, SECTOR-13, ROHINI, NEW DELHI, 110085.
12	Flat / House	Jai Shanker Srivastava JAI SHANKER SRIVASTAVA, (DIRECTOR) G-401, UTSAV ENCLAVE, HALWASIA APPARTMENTS, OPP. HAL, LUCKNOW, 226006, UTTAR PRADESH, INDIA.
13	Flat / House	Jai Shanker Srivastava JAI SHANKER SRIVASTAVA, (DIRECTOR) D- 163, PINNACLE, DLF- V, GURGAON.
14	Flat / House	JAI SHANKER SRIVASTAVA, (DIRECTOR) S/O MR MAHESH PRATAP LAL, 6/64,



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		VINET KHAND, GOMTI NAGAR, LUCKNOW.
15	Flat / House	MEERA BABA ENERGY PRIVATE LIMITED, 8, KOHAT ENCLAVE, PITAM PURA, NEW DELHI.
16	Commercial Office /	TIRUPATI BUILDINGS AND OFFICES PRIVATE LIMITED, PLOT NO.3, DISTRICT CENTRE, SECTOR-10, DWARKA, NEW DELHI.
17	Commercial Office /	DIVINE INFRACON PRIVATE LIMITED, PLOT NO. 4, SECTOR-13, DWARKA CITY CENTRE, DWARKA.
18	Commercial Office /	NORTH WEST SALES AND MARKETING LIMITED, COMMUNITY CENTRE, PLOT NO.-40, BLOCK-A, PASCHIMPURI.
19	Commercial Office /	COSMOS MEERA BABA TOWNSHIPS AND INFRASTRUCTURES PRIVATE LIMITED, 4, BATTERY LANE, RAJPUR ROAD, CIVIL LINES, NEW DELHI.
20	Commercial Office /	MEERA BABA STUDIO PRIVATE LIMITED, 318, 3RD FLOOR, KUBER COMPLEX, LINK ROAD, ANDHERI WEST, MUMBAI.
21	Commercial Office /	TAVISHI ENTERPRISES PVT LTD LGF- 5, SUSHANT PLAZA, A BLOCK, SUSHANT LOK, PHASE- 1, GURAGON-122002 TEL- 0124-4105236.
22	Warehouse	MOHAN INDIA PVT LTD/ TAVISHI ENTERPRISES PVT LTD KHASRA NO-398/2, VILLAGE -HAMEEDPUR, DELHI-36.
23	Warehouse	MOHAN INDIA PVT LTD, KHASRA NO - 106/251, KHERAKALAN, DELHI.
24	Warehouse	MOHAN INDIA PVT LTD/ TAVISHI ENTERPRISES PVT LTD, KHASRA NO - 106/255, KHERAKALAN, DELHI.
25	Warehouse	MOHAN INDIA PVT LTD, KHASRA NO - 106/99, KHERAKALAN, DELHI.
26	Warehouse	MOHAN INDIA PVT LTD, KHASRANO 106/102,103, KHERAKALAN, DELHI.
27	Warehouse	MOHAN INDIA PVT LTD, KHASRA NO 106/319, KHERAKALAN, DELHI.
28	Commercial Office /	ASJ INFRA TECH PRIVATE LIMITED 81, VAISHALI, PITAMPURA, DELHI-110034. 270.83 sq yards
29	Commercial Office /	SINGH LEGAL PROCESS OUTSOURCING PRIVATE LIMITED, N-30, MALVIYA NAGAR, DELHI- 110017.
30	Commercial Office /	YUKATI BUILDERS PRIVATE LIMITED, BJ-95, EAST SHALIMAR BAGH, DELHI-110088.
31	Commercial /	DOMESTIC RETAIL PRIVATE LIMITED,



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	Office	SUPER SHOPPING CENTRE, SANJAY GANDHI PURAM, FAIZABAD ROAD, LUCKNOW, UTTAR PRADESH-226016.
32	Commercial Office /	G & J INFRA CONSULTANTS PRIVATE LIMITED, 4/243, SECTOR - H, JANKI PURAM, LUCKNOW, UTTAR PRADESH-226021.
33	Commercial Office /	NOVA G AND J CMD BUILD TECH PRIVATE LIMITED, 901& 909, ITL TWIN TOWERS, NETAJI SUBHASH PLACE, PITAM PURA, DELHI-110088.
34	Commercial Office /	SARAL SHREE MEDICARE PRIVATE LIMITED, HOUSE NO. 202, BLOCK NO. 172, JOR BAGH, NEW DELHI -110003.
35	Commercial Office /	TIMBER TRAIL TRAVEL TODAY PRIVATE LIMITED, SCO 143-144, SECTOR 8-C, CHANDIGARH, U T.
36	Flat / House	JAI SHANKAR SHRIVASTAVA JAI SHANKAR SHRIVASTAVA - HOUSE NO. B-6/41, RAJIV GANDHI WARD, VINEET KHAND, GORNTI NAGAR, LUCKNOW, UTTAR PRADESH .
37	Flat / House	JAI SHANKAR SHRIVASTAVA JAI SHANKAR SHRIVASTAVA - HOUSE NO. B-6/42, RAJIV GANDHI WARD, VINEET KHAND, GORNTI NAGAR, LUCKNOW, UTTAR PRADESH .
38	Flat / House	JAI SHANKAR SHRIVASTAVA JAI SHANKAR SHRIVASTAVA - HOUSE NO. B-6/43, RAJIV GANDHI WARD, VINEET KHAND, GORNTI NAGAR, LUCKNOW, UTTAR PRADESH .
39	Plot	8 plots bearing Nos. A-06, A-12, A-14, A-16, A-17, A-19, A-20 & A-21 at Prime City, Sector 10, Asandh, Dist. Karnal.
40	Flat	JAI SHANKAR SHRIVASTAVA Flat No. 11b, 11th Floor, Florence, Raisina Residency, Gurgaon, Haryana.
41	Land	Mohan India Ltd Rectangle No. 31, Khasra 12, Village Devali, Tehsil Mehrauli, New Delhi. 1 Bigha 5 Biswa
42	Land	Mohan India Ltd Khasra No 655, Village Neb Saral, Tehsil Hauz Khas, New Delhi. 1225 Sq Yard
43	Land	Mohan India Ltd Khasra 652 Village Neb Sarai, Tehsil Hauz Khas, New Delhi. 4 Bigha & 9 Biswa
44	Land	Mohan India Ltd Agricultural Land (1 Bigha) In Khasra No. 504/973/505, Village Khirkee, Mehrauli, New Delhi (Known As 45, Sainik



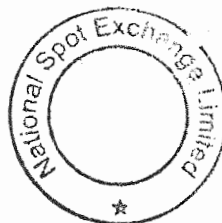
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		Farms, New Delhi). 1008 Sq. Yard
45	House	JAI SHANKAR SHRIVASTAVA House No. 105, Ward No 5, Satni Sarai, Amrit Pali, Ballia.
46	Flat	Mohan India Ltd Flat No. 3402, Gomati Enclave, Lucknow, Uttar Pradesh.
47	Agricultural Land	Mohan India Group Land at Najafgarh, Delhi. Measuring 18 Bighas 8 Biswas forming part of khasra No. 18/7/2 (2-10), 8 (4-16), 9(4-16), 14/1(2-0), 10 Min (3-17), 19/6 (0-6) in village - Bakkargarh, Tehsil-Najafgarh, New Delhi. 18 Bighas 8 Biswas
48	Mall	D MALL, MAHATMA GANDHI ROAD, SUBHASH PLACE, PITAMPURA, NEW DELHI. 3.5 LAKH SQ FEET
49	Mall	D MALL, SECTOR 10, OPP RAJIV GANDHI CANCER INSTITUTE, ROHINI, NEW DELHI. 3 LAKH SQ FEET
50	Mall	D MALL, SUNDAR VIHAR, PASCHIM VIHAR, NEW DELHI 110087. 1.06 LAKH SQ FEET
51	Hotel	RADISSON HOTEL, PLOT NO. D, DISTRICT CENTRE, OUTER RING ROAD, PASCHIM VIHAR, NEW DELHI. 7.64 LAKH SQ FEET
52	School	GD GOENKA PUBLIC SCHOOL, SECTOR 9, NEAR JAPANESE PARK, ROHINI NEW DELHI - 110085.
53	Mall	D MALL, SHAHADARA, NEW DELHI. 3.81 LAKHS SQ FEET
54	Mall	MANGLA SHREE PROPERTIES, MULTISTORY MALL, D-1669, NARELA INDUSTRIES, DS2, DC, NEW DELHI (MSP MALL).
55	Commercial Office	MOHAN INDIA PVT LTD 354, TARUN ENCLAVE, PITAMPURA, NEW DELHI-110034.
56	Hotel	HOTEL HOLIDAY INN, SHAHADRA, DELHI . Plot Area 8400 Sq Mtr, Built Up Area 3.81 Lac Sq Ft
57	School	GD GOENKA WORLD SCHOOL / GD GOENKA WORLD INSTITUTE / GD GOENKA UNIVERSITY, GURGAON, GURGAON.
58	School	GD GOENKA PUBLIC SCHOOL, DWARKA.
59	Land	RESIDENTIAL REAL ESTATE PROJECT AT DHARUHERA, GURGAON.
60	Hotel	LE CASTLE RESORT NH 1, DELHI.
61	Hotel	LE GARDEN RESORT NH 1, DELHI.
62	Land	MANGLA SHREE PROPERTIES, FACILITY CENTRE - 1, BLK-B, DSIDC, NARELA



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		LANDMARK FC, DELHI. 5750 sq m
63	School	G D GOENKA PUBLIC SCHOOL SITUATED IN SECTOR 22, ROHINI, NEW DELHI.
64	Land	Plot no. 264, Sector 14, Part B, Panchkula, Haryana.
65	Commercial	Unit No. 12, D Mall NSP, Pitampura, Delhi.
66	Commercial	No. Shop No-21 GF D Mall, Rohini Sector-10, Delhi.
67	Commercial	No. Shop No-22 GF D Mall, Rohini Sector-10, Delhi.
68	Commercial	No. Shop No-23 GF D Mall, Rohini Sector-10, Delhi.
69	Commercial	No. Shop No-24 GF D Mall, Rohini Sector-10, Delhi.
70	Commercial	No. 1B5 Twin Distt D Mall, Rohini Sector-10, Delhi.
71	Commercial	No. U NO 13 D Mall, Rohini Sector-10, Delhi.
72	Commercial	No. U NO 14 D Mall, Rohini Sector-10, Delhi.
73	Commercial	No. U NO 15 D Mall, Rohini Sector-10, Delhi.
74	Commercial	No. U NO 118A D Mall, Rohini Sector-10, Delhi.
75	Commercial	No. U NO 118B, D Mall, Rohini Sector-10, Delhi.
76	Commercial	No. U NO 118C, D Mall, Rohini Sector-10, Delhi.
77	Commercial	No. 5A D Mall 1B5 ,Rohini Sector-10, Delhi.
78	Commercial	No. 8-D, D Mall , Rohini Sector-10, Delhi.
79	Commercial	No. 7 D Mall, Rohini Sector-10, Delhi.
80	Real Estate	Divine City-Haryana at NH-1, Ganaur, Sonpat, Haryana.
81	Real Estate	Nazafgarh, Delhi.
82	Real Estate	Shahadara, New Delhi.
83	Residential	MB Infrabuild Private Limited - Beverly Golf Avenue (Residential Project) - Adjoining Mohali Golf Range, Sector - 65, SAS Nagar, Mohali-160062, Sector - 48, Chandigarh.
84	Commercial	MB Infrabuild Private Limited - Remigage Mall (Commercial Project) - Phase - 8A, Adjoining Fortis Hospital, Sector - 62, Mohali-160062.
85	Commercial	Mera Baba Reality Associates Ltd Shop No. 11, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi .
86	Commercial	Mera Baba Reality Associates Ltd Shop No. 12, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi .
87	Commercial	Mera Baba Reality Associates Ltd Shop No. 202, D Mall, Plot No. 1B5, Twin District



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		Centre, Sector-10, Rohini, Delhi .
88	Commercial	Mera Baba Reality Associates Ltd Shop No. 203, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
89	Commercial	Mera Baba Reality Associates Ltd Shop No. 207, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
90	Commercial	Mera Baba Reality Associates Ltd Shop No. 210, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
91	Commercial	Mera Baba Reality Associates Ltd Shop No. 213, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
92	Commercial	Mera Baba Reality Associates Ltd Shop No. 214, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
93	Commercial	Mera Baba Reality Associates Ltd Shop No. 215A, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
94	Commercial	Mera Baba Reality Associates Ltd Shop No. 216, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
95	Commercial	Mera Baba Reality Associates Ltd Shop No. 217, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
96	Commercial	Mera Baba Reality Associates Ltd Shop No. 218, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
97	Commercial	Mera Baba Reality Associates Ltd Shop No. 219, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
98	Commercial	Mera Baba Reality Associates Ltd Shop No. 220, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
99	Commercial	Mera Baba Reality Associates Ltd Shop No. 221, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
100	Commercial	Mera Baba Reality Associates Ltd Shop No. 227, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
101	Commercial	Mera Baba Reality Associates Ltd Shop No. 229, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
102	Commercial	Mera Baba Reality Associates Ltd Shop No. 231, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
103	Commercial	Mera Baba Reality Associates Ltd Shop No. 235, D Mall, Plot No. 1B5, Twin District



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		Centre, Sector-10, Rohini, Delhi.
104	Commercial	Mera Baba Reality Associates Ltd Shop No. 243, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
105	Commercial	Mera Baba Reality Associates Ltd Shop No. 247, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
106	Commercial	Mera Baba Reality Associates Ltd Shop No. 512, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
107	Commercial	Mera Baba Reality Associates Ltd Shop No. 513, D Mall, Plot No. 1B5, Twin District Centre, Sector-10, Rohini, Delhi.
108	Commercial	Tirupati Infraprojects Pvt.Ltd Unit No-1, Plot No-D, District Centre, Paschim Vihar, New Delhi-110063.
109	Commercial	Tirupati Infraprojects Pvt.Ltd Unit No-102, Plot No-D, District Centre, Paschim Vihar, New Delhi-110063.
110	Commercial	Tirupati Infraprojects Pvt.Ltd Unit No-103, Plot No-D, District Centre, Paschim Vihar, New Delhi-110063.
111	Commercial	Tirupati Infraprojects Pvt.Ltd Unit No-104, Plot No-D, District Centre, Paschim Vihar, New Delhi-110063.
112	Commercial	Tirupati Infraprojects Pvt.Ltd Unit No-105, Plot No-D, District Centre Paschim Vihar, New Delhi-110063.
113	Commercial	Mera Baba Reality Associates Ltd Shop No. 314, D-Mall Plot A-1 Netaji Subhash Place, Pitampura, Delhi-110034.
114	Commercial	Mera Baba Reality Associates Ltd Shop No. 315, D-Mall Plot A-1 Netaji Subhash Place, Pitampura, Delhi-110034.
115	Commercial	Mera Baba Reality Associates Ltd Shop No. 316, D-Mall Plot A-1 Netaji Subhash Place, Pitampura, Delhi-110034.
116	Commercial	Mera Baba Reality Associates Ltd Shop No. G-16, D-Mall Plot A-1 Netaji Subhash Place, Pitampura, Delhi-110034.
117	Commercial	Mera Baba Reality Associates Ltd Shop No. G-27, D-Mall Plot A-1 Netaji Subhash Place, Pitampura, Delhi-110034.
118	Flat / House	I-401, 4F, Block-I, Ambience Caitriona Apartment, Tower I, Ambience Island, Gurgaon-122011.
119	Flat / House	I-402, 4F, Block-I, Ambience Caitriona Apartment, Tower I, Ambience Island,

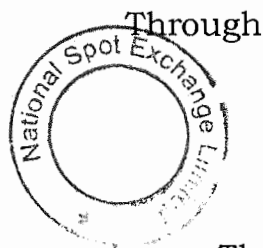


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		Gurgaon-122011.
120	Commercial	5586, 3rd Floor, Lahori Gate, Naya Bazar, Delhi-110006.
121	Commercial	5586, 1 st Floor, Lahori Gate, Naya Bazar, Delhi-110006.
122	Residential	D-31 Pushpanjali Enclave, Pitampura, Delhi-110034.
123	Residential	D-842, 2nd Floor, Back Portion, New Friends Colony, Delhi 110065.
124	Residential	D-842, 2nd Floor, Front Portion, New Friends Colony, Delhi 110065.
125	Commercial	Unit No-10, Plot No-D, District Centre, Paschim Vihar, New Delhi-110063.
126	Commercial	Unit No-14, Plot No-D, District Centre, Paschim Vihar, New Delhi-110063.
127	Commercial	Unit No-15, Plot No-D, District Centre, Paschim Vihar, New Delhi-110063.
128	Commercial	Unit No-15A, Plot No-D, District Centre, Paschim Vihar, New Delhi-110063.
129	Commercial	Unit No-17, Plot No-D, District Centre, Paschim Vihar, New Delhi-110063.

Any other item kept in the office of the judgment debtor.

National Spot Exchange Ltd.
Decree Holder



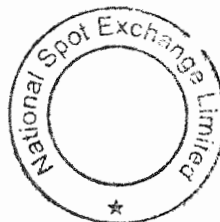
Mr. Sudhanshu Pandey,
Authorised Representative

Through

RKP & Associates
Advocates for the Decree Holder
301 Ashadeep Building,
9, Hailey Road, New Delhi 110001
Phone: 9891982555(M)

Place: New Delhi

Dated: 11-07-2019



IN THE HIGH COURT OF DELHI AT NEW DELHI
OMP (ENF.) (COMM.) No. of 2019

IN THE MATTER OF :-

National Spot Exchange Ltd.

.....Decree Holder

Versus

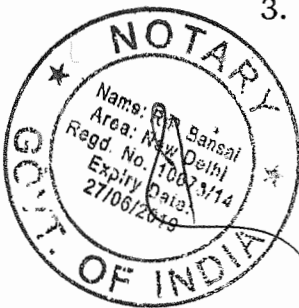
Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

AFFIDAVIT

I, Sudhanshu Pandey, S/o Shri Panth Narayan Pandey, Aged about 36 years being Manager, Recovery Department of the National Spot Exchange Ltd. having its office 6th Floor, Chintamani Plaza, Chakala, Andheri Kurla Road, Andheri (East), Mumbai - 400 099, presently at New Delhi, do hereby solemnly affirm and state as under:

1. That, I am the authorised representative of the Decree Holder in the above mentioned case and as such I am well conversant with the facts and circumstances of the present case and competent to swear this affidavit.
2. I say that I have gone through the contents of the accompanying Execution Petition and the same is true and correct to my knowledge and belief and the contents of the same are true and correct to my knowledge and belief.
3. I say that there is no stay by the Appellate Court or any other Court against the Order dated 01.11.2018 whereby the Hon'ble High Court of Bombay has declared the Settlement Agreement dated 30.10.2013 entered under section 73 of the arbitration and conciliation act, as Arbitration Award and there is no impediment in execution of the same in the above said matter and in the present Execution proceedings.
4. I say that this is my true statement.



[Signature]

DEPONENT

VERIFICATION

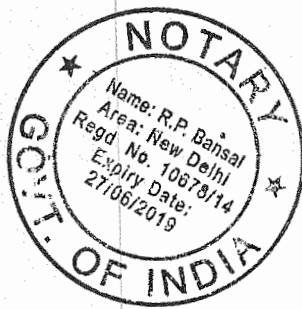
Verified here at New Delhi on this 11 day of January 2019 that the contents of paragraphs 1 to 4 of this affidavit are true and correct to my knowledge and belief and nothing material has been concealed therefrom.

IDENTIFIED BY
[Signature]

[Signature]

DEPONENT

IDENTIFIED BY



CERTIFIED THAT THE DEPONENT
Sh/Smt/Kumari.....
S/o D/o W/o.....
Identity by Shri/Smt.....
Solemnly affirmed before me at Delhi
S. no.....
The contents of the affidavit which have
been read & explained to me are true and
correct Notary.

[Signature]
[Signature]
(36)

[Signature]
11/01/19

IN THE HIGH COURT OF DELHI AT NEW DELHI
OMP (ENF.) (COMM.) No. of 2019

IN THE MATTER OF :-

National Spot Exchange Ltd.

.....Decree Holder

Versus

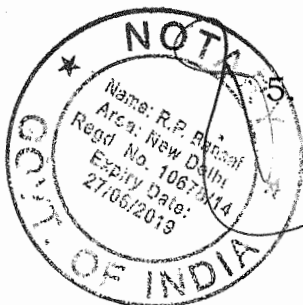
Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

STATEMENT OF TRUTH

Statement of truth by Sudhanshu Pandey s/o Sh. Panth Narayan Pandey aged about 36 years, working as Manager, Recovery Department, National Spot Exchange Ltd. having office at 6th Floor, Chintamani Plaza, Chakala, Andheri Kurla Road, Andheri (East), Mumbai - 400 099, presently at New Delhi, do hereby solemnly affirm and state as under: -

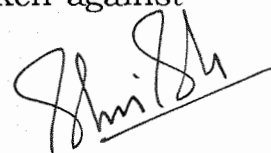
1. I am the Authorised Representative of the Decree Holder in the above mentioned case and as such I am well conversant with the facts and circumstances of the case and competent to swear this statement of truth.
2. I am well conversant with the facts of the case and have also examined all relevant documents and records in relation thereto.
3. I say that paragraphs 1 to 11 are true and correct to my knowledge based on the records maintained by the company as well as information received and are based on the legal and technical advice believed to be true and correct.
4. I say that there is no false statement or concealment of any material fact, document or record and I have included information that is according to me, relevant for the present petition.



I say that all documents in the power, possession, control or custody, pertaining to the facts and

circumstances of the present case have been disclosed and copies thereof annexed with the execution petition, and that the decree holder does not have any other documents in its power, possession, control or custody.

6. I say that the above-mentioned pleading comprises of a total of 7-25 pages.
7. I state that that the documents annexed with the execution petition are true copies of the documents referred to and relied upon me.
8. I say that I am aware that for any false statement or concealment, I shall be liable for action taken against me under the law.



DEPONENT

New Delhi

Date: 11-01-2019

IDENTIFIED BY



VERIFICATION

The statements made above are true to my knowledge.
Verified at New Delhi on this 11 day of January 2019.



DEPONENT

CERTIFIED THAT THE DEPONENT
Sh. Smt./Kumari.....
S. P. O/o W/o.....
Identity by Shri/Smt.....
Solemnly affirmed before me at Delhi.....
S. no.....
The contents of the affidavit which have
been read & explained to me are true and
correct Notary.

11/01/19

**GOVERNMENT OF NCT OF DELHI
e-Court Fee**

DATE & TIME :	11-JAN-2019 14:05:12
NAMES OF THE ACC/ REGISTERED USER :	SHCIL
LOCATION :	DELHI HIGH COURT
e-COURT RECEIPT NO :	DLCT1120A1904O016
e-COURT FEE AMOUNT :	₹ 50 (Rupees Fifty Only)



DLCT1120A1904O016

Statutory Alert : The authenticity of this e-Court fee receipt should be verified at www.shcilestamp.com . Any discrepancy in the details on this receipt and as available on the website renders it invalid. In case of any discrepancy please inform the Competent Authority. This receipt is valid only after verification & locking by the Court Official.

1

IN THE HIGH COURT OF DELHI AT NEW DELHI
OMP (ENF.) (COMM.) No. of 2019

IN THE MATTER OF :-

National Spot Exchange Ltd.

.....Decree Holder

Versus

Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

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2.	Vakalatnama	2-3

Filed By:



RKP & Associates

Advocates for the Decree Holder

301 Ashadeep Building,

9, Hailey Road, New Delhi 110001

Phone: 9891982555(M)

Place: New Delhi

Dated: 17-07-2019

IN THE HIGH COURT OF DELHI AT NEW DELHI

OMP (ENF.) (COMM.) No. of 2019

IN THE MATTER OF :-

National Spot Exchange Ltd.

.....Decree Holder

Versus

Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

KNOW ALL to whom these present shall come that, I, Sudhanshu Pandey, S/o Shri Panth Narayan Pandey, Aged about 36 years being Manager, Recovery Department of the National Spot Exchange Ltd. (i.e. Defendant No.8 herein) having its office at 6th Floor, Chintamani Plaza, Chakala, Andheri Kurla Road, Andheri (East), Mumbai – 400 099, presently at New Delhi, do hereby appoint: -

RANJAN KUMAR PANDEY **SANDEEP BISHT** **RAHUL KUMAR** **ANUJ TIWARI**
 (D/909-R/97) (D/1234/2008) (D/2102/2016) (UP/8502/2017)

ADVOCATES

RKP & ASSOCIATES

301 ASHADEEP, 9, HAILEY ROAD, NEW DELHI-110001

MOBILE NO.9891982555

(herein after called the advocate/s) to be my/our Advocate in the above-noted case authorize him:-

- To act, appear and plead in the above-noted case in this Court or in any other Court in which the same may be tried or heard and also in the appellate Court including High Court subject to payment of fees separately for each court by me/us.
- To sign file verify and present pleadings appeals cross-objections or petitions for executions review revision withdrawal compromise or other petitions or affidavits or other documents as may be deemed necessary or proper for the prosecution of the said case in all its stages subjects to payment of fees for each stage.
- To fill and take back documents to admit and/or deny the documents of opposite party.
- To withdraw or compromise the said case or submit to arbitration any differences or disputes that may arise touching or in any manner relating to the said case.
- To take execution proceedings.
- To deposit draw and receive money cheques, cash and grant receipts hereof and to do all other acts and things which may be necessary to be done for the progress and in the course of the prosecution of the said case.
- To appoint and instruct any other Legal Practitioner authorizing him to exercise the power and authority hereby conferred upon the Advocate whenever he may think fit to do so and to sign the power of attorney on our behalf.

And I/We the undersigned do hereby agree to ratify and confirm all acts done by the Advocate or his substitute in the matter as my/our own acts, as if done by me/us to all intents and purpose.

And I/We the undersigned do hereby agree to ratify and confirm all acts done by the Advocate or his substitute in the matter as my/our own acts, as if done by me/us to all intents and purposes.

And I/We undertake that I/We or my/our duly authorized agent would appear in Court on all hearings and will inform the Advocate for appearance when the case is called.

And I/We undersigned do hereby agree not to hold the advocate of his substitute responsible for the result of the said case. The adjournment costs whenever ordered by the Court shall be of the Advocate which he shall receive and retain for himself.

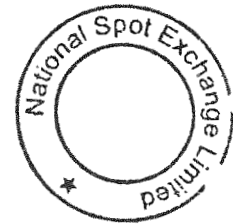
And I/We the undersigned do hereby agree that in the event of the whole or part of the fee agreed by me/us to be paid to the advocate remaining unpaid he shall be entitled to withdraw from the prosecution of the said case until the same is paid up. The fee settled is only for the above case and above Court. I/We hereby agree that once the fees is paid, I/We will not be entitled for the refund of the same in any case whatsoever and if the case prolongs for more that 3 years the original fee shall be paid again by me/us.

IN WITNESS WHERE OF I/We do here unto set my/our hand to these present the contents of which have been understood by me/us on this .../11/2019 day of ... Jan ... 2019.

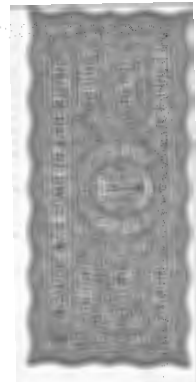
Identified the signatures of Mr. Sudhanshu Pandey

Accepted subject to the terms of the fees

Advocate



Client



IN THE HIGH COURT OF DELHI AT NEW DELHI

OMP (ENF.) (COMM.) No. of 2019

1

IN THE MATTER OF :-

National Spot Exchange Ltd.

.....Decree Holder

Versus

Mohan India Pvt. Ltd. & Ors.

.....Judgment Debtors

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S. No.	Documents	Originals/ Photocopies/ Office Copies filed with the present petition	Original Document in the control and custody of	Mode of Execution	Line of Custody	Page No.
						1-2
1	Board Resolution	Original	Petitioner		Petitioner	3
2	Copy of the Order dated 01.11.2018 passed by the Hon'ble High Court of Bombay.	Original	All Parties		In the Custody of all the parties	4-7
3	Copy of Settlement agreement dated 30.10.2013	Photocopy	All Parties		In the Custody of all the parties	8-50
4	Copies of the Civil suit No.109 of 2015 titled NSEL vs Mohan India Pvt. Ltd. & Ors. and Civil Suit No. 106 of 2015 titled NSEL vs	Photocopy	All Parties		In the Custody of all the parties	51-213

	Tavishi Enterprises Pvt. Ltd. & Ors.					
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Filed By:

**RKP & Associates**

Advocates for the Decree Holder
301 Ashadeep Building,
9, Hailey Road, New Delhi 110001
Phone: 9891982555(M)

Place: New Delhi

Dated: 11-01-2019

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOARD OF DIRECTORS OF NATIONAL SPOT EXCHANGE LIMITED HELD ON THURSDAY, 19TH JULY, 2018 AT 6:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 6TH FLOOR, CHINTAMANI PLAZA, ANDHERI KURLA ROAD, CHAKALA, ANDHERI (E), MUMBAI- 400 099.

AUTHORITY FOR LEGAL MATTERS OF THE COMPANY:

“RESOLVED THAT in supersession of earlier resolutions Mr. Vishwanathan Iyer, Vice President and Head- Legal be and is hereby authorized to file, withdraw, depose, sign affidavit, petitions, vakalatnama, documents, forms, papers or any other legal documents and documents relating to court cases before any Court, Tribunals, Forums on behalf of the Company.

RESOLVED FURTHER THAT Mr. Neeraj Sharma, Senior VP- Recovery Assistance and/or Mr. Jayesh Hingu, VP- Recovery Assistance and/or Mr. Abhijit Aher, Asst. VP-Legal and/ or Mr. Rushikesh Sutawane, Sr. Manager- Legal and/ or Mr. Sudhanshu Pandey, Manager- Recovery Assistance and/or Mr. Santosh Dhuri, Manager- Recovery Assistance and/or Mr. Ramchandra Shintre, Assistant Manager - Legal of the Company be and is/ are hereby authorized to file, withdraw, depose, sign affidavit, petitions, vakalatnama, documents, forms, papers or any other legal documents and documents relating to court cases before any Court, Tribunals, Forums on behalf of the Company, subject to prior approval of the Legal Head in writing for each case/ matter.

RESOLVED FURTHER THAT Head- Legal Department of the Company and anyone either Chief Executive Officer of the Company or Head of any other Department of the Company be and are jointly hereby authorized to sign the engagement letter, mandate and/or agreements with lawyers and/or law firms for the legal matters and inform the Board subsequently.

RESOLVED FURTHER THAT the aforesaid power entrusted with the said Authorised Representatives/ Officials of the Company shall be valid and effective unless revoked earlier by the Board and till the time of their association with the Company.

RESOLVED FURTHER THAT any one Director and / or Chief Executive Officer and/ or Company Secretary of the Company be and is/ are hereby authorized to issue a certified true copy of this resolution and to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.”

For National Spot Exchange Limited



**Diwaker Dubey
Company Secretary**

Date: 23.08.2018

Place: Mumbai



National Spot Exchange Limited

6th floor, Chintamani Plaza, Chakala, Andheri Kurla Road, Andheri (East), Mumbai-400099.

Tel: +91-22-4905 9000, 6761 9900 | Fax: +91-22-6761 9931 | info@nationalspotexchange.com | www.nationalspotexchange.com

CIN No.: U51100MH2005PLC153384



sg

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO.26 OF 2015

IN

COMMERCIAL SUIT NO.85 OF 2015

National Spot Exchange Limited ...Plaintiff

vs

Tavishi Enterprises Pvt. Ltd. And 9 Others ...Defendants

WITH

NOTICE OF MOTION NO.27 OF 2015

IN

COMMERCIAL SUIT NO.85 OF 2015

WITH

NOTICE OF MOTION NO.93 OF 2016

IN

COMMERCIAL SUIT NO.85 OF 2015

WITH

NOTICE OF MOTION NO.92 OF 2016

IN

COMMERCIAL SUIT NO.85 OF 2015

WITH

NOTICE OF MOTION NO.29 OF 2015

IN

COMMERCIAL SUIT NO.85 OF 2015

WITH

NOTICE OF MOTION NO.28 OF 2015

IN

COMMERCIAL SUIT NO.85 OF 2015

WITH

NOTICE OF MOTION NO.105 OF 2015

IN

COMMERCIAL SUIT NO.80 OF 2015

WITH

NOTICE OF MOTION NO.106 OF 2015

IN

COMMERCIAL SUIT NO.80 OF 2015

Pg 1 of 4

5

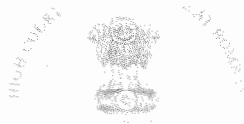


nmcd26-15.doc

WITH
 NOTICE OF MOTION NO.337 OF 2016
 IN
 COMMERCIAL SUIT NO.80 OF 2015
 WITH
 NOTICE OF MOTION NO.107 OF 2015
 IN
 COMMERCIAL SUIT NO.80 OF 2015
 WITH
 NOTICE OF MOTION NO.108 OF 2015
 IN
 COMMERCIAL SUIT NO.80 OF 2015
 WITH
 NOTICE OF MOTION NO.109 OF 2015
 IN
 COMMERCIAL SUIT NO.80 OF 2015
 WITH
 NOTICE OF MOTION NO.110 OF 2015
 IN
 COMMERCIAL SUIT NO.80 OF 2015
 WITH
 NOTICE OF MOTION NO.336 OF 2016
 IN
 COMMERCIAL SUIT NO.80 OF 2015
 WITH
 NOTICE OF MOTION NO.338 OF 2016
 IN
 COMMERCIAL SUIT NO.80 OF 2015
 WITH
 NOTICE OF MOTION NO.339 OF 2016
 IN
 COMMERCIAL SUIT NO.80 OF 2015

.....
 Mr. Shashank Trivedi, i/b. Naik Naik & Co., for the Plaintiff in
 COMS/80/2015 and COMS/85/2015 and for the Applicant in
 NMCD/26/2015.

Mr. Girish Godbole, a/w. Mr. Vijay Singh and Mr. Pushkraj Deshpande,
 i/b. Mr. Vinay J. Bhanushali, for Defendant Nos. 1 to 10 in
 COMS/85/2015.



6

nmcd26-15.doc

Mr. Pradeep Sancheti, Senior Advocate, a/w. Mr. Vijay Singh and Mr. Pushkraj Deshpande, i/b. Mr. Vinay J. Bhanushali, for Defendant Nos 1 to 12 in COMS/80/2015.

Mr. Kevic Setalvad, Senior Advocate, a/w. Mr. Vijay Singh and Mr. Pushkraj Deshpande, i/b. Mr. Vinay J. Bhanushali, for Defendant Nos. 13 to 17 in COMS/80/2015.

Mr. Pradeep Sancheti, Senior Advocate, Mr. Vishal Maheshwari, i/b. VM Legal, for Defendant Nos. 1 to 4 in S/432-2015.

Ms. Ursula Misquitta, i/b. Raval Shah & Co., for the Applicant in CHS/358/2017.

.....
CORAM : S.C. GUPTE, J.

DATED: 1 NOVEMBER, 2018

P.C. :

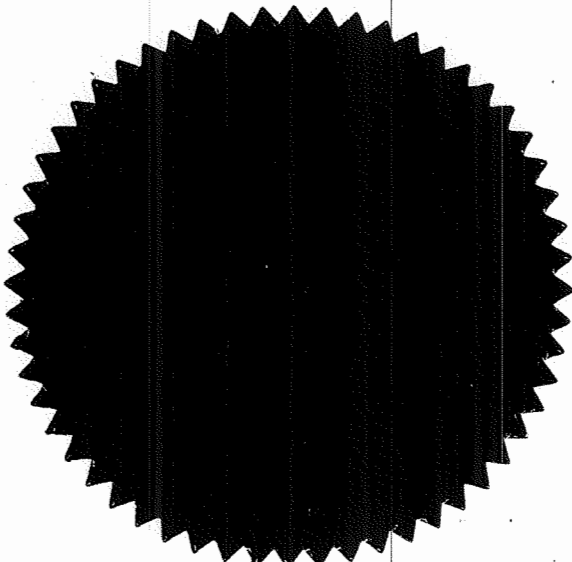
Notice of Motion No.26 of 2015 is taken out in a suit, where, as of date, it is an admitted position that there is a conciliation award. A settlement agreement between the parties arrived at under Section 73 of the Arbitration and Conciliation Act has been signed by the parties and authenticated by the conciliator. The agreement has an effect of an arbitral award. Since the controversy in the present suit has thus been adjudicated upon and disposed of in terms of the settlement agreement, it is agreed between learned Counsel for all parties that the present suit does not survive and may be disposed of; instead the Plaintiff may be permitted to apply for execution of the settlement agreement as an arbitral award. All rights and contentions on merits of the execution, including compliance with any pre-condition for execution, are kept open. Commercial Suit Nos. 80 of 2015 and 85 of 2015 stand disposed of accordingly.

Pg 3 of 4




nmcd26-15.doc


2. Since Commercial Suit No.85 of 2015 is disposed of, the interlocutory proceedings therein, namely, Notices of Motion Nos. 27 of 2015, 93 of 2016, 92 of 2016, 29 of 2015 and 28 of 2015 also stand disposed of. So also, since Commercial Suit No. 80 of 2015 is disposed of, the notices of motion taken out therein do not survive. Accordingly, Notices of Motion Nos.105 of 2015, 106 of 2015, 337 of 2016, 107 of 2015, 108 of 2015, 109 of 2015, 110 of 2015, 336 of 2016, 338 of 2016, 107 of 2015 and 339 of 2016 stand disposed of.



(S.C. GUPTE, J.)

CERTIFIED TO BE A TRUE COPY
this 14 day of Dec 2018


For Registrar (O.S.) / Prothonotary
and Senior Master, High Court, Bombay

Applied On 30/11/18
Section Writer / Comparer 
Examined By T.J.M.
No. Of Pages 4
Further Charges : Paid On:.....
No. Of Copies 3
Ready On 11 DEC 2018
Delivered On 3 DEC 2018



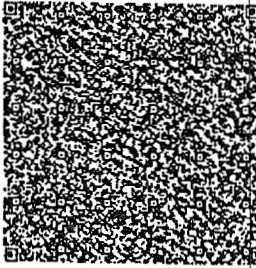
सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No.	: IN-DL61671897557694L
Certificate Issued Date	: 12-Sep-2013 04:05 PM
Account Reference	: IMPACC (IV)/ dl853303/ DELHI/ DL-DLH
Unique Doc. Reference	: SUBIN-DL85330321748575395257L
Purchased by	: NATIONAL SPOT EXCHANGE LIMITED
Description of Document	: Article 58 Settlement
Property Description	: 4TH FLOOR CTS NO-256,257 SUREN ROAD ANDHERI EAST, MUMBAI-400093
Consideration Price (Rs.)	: 0
	(Zero)
First Party	: NATIONAL SPOT EXCHANGE LIMITED
Second Party	: NA
Stamp Duty Paid By	: NATIONAL SPOT EXCHANGE LIMITED
Stamp Duty Amount(Rs.)	: 100
	(One Hundred only)



Please write or type below this line.

MOHAN INDIA PVT. LTD.

Auth. Signatory/Director

For Jal Shree Eaha Projects Pvt. Ltd.

Director/Auth. Signatory

For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director



Statutory Alert:

1. The authenticity of this Stamp Certificate should be verified at "www.shcilestamp.com". Any discrepancy in the details on this Certificate and as available on the website renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

SETTLEMENT AGREEMENT

BETWEEN

NATIONAL SPOT EXCHANGE LIMITED
("NSEL")

AND

MOHAN INDIA PRIVATE LIMITED
TAVISHI ENTERPRISES PRIVATE LIMITED
BRINDA COMMODITY PRIVATE LIMITED
(Collectively, the "Mohan Group")

AND

RASHMI GUPTA
SUMAN GUPTA
JAISHREE BABA PROJECTS PRIVATE LIMITED
MOHAN INFRACON PRIVATE LIMITED
MERA BABA REALTY ASSOCIATES PRIVATE LIMITED
JAI SHANKAR SRIVASTAVA
JAG MOHAN GARG
(Collectively, the "Confirming Parties")

Auth. Signatory/Director

MOHAN INDIA PVT. LTD.

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For BRINDA COMMODITY PRIVATE LIMITED

Auth. Signatory/Director

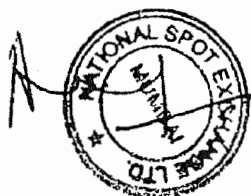
For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory

For Mera Baba Realty Associates Private Limited

For Jai Shree Baba Projects Pvt. Ltd.

Director/ Auth. Signatory



Suman J. Sood
[Signature]

[Signature]
TIC

For Jai Shree Beha Pvt. Ltd.
Director/ Auth. Signatory

10

This **SETTLEMENT AGREEMENT**, dated 30th October 2013 ("Execution Date"), is being made at New Delhi

BY AND BETWEEN

National Spot Exchange Limited, a company incorporated under Companies Act, 1956 vide Certificate of Incorporation No. U51100MH2005PLC153384, with its registered office at 4th Floor, CTS No. 256 & 257, Suren Road, Andheri (East), Mumbai - 400093, represented by its Managing Director & CEO, Mr. Saji Cherian, son of Mr. T. C. Skaria, who is authorised to sign this Settlement Agreement vide a board resolution dated October 28, 2013, which is annexed to this Settlement Agreement as **Annexure 1** (hereinafter referred to as "NSEL", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include its successors, permitted assigns, administrators and affiliates).

AND

Mohan India Private Limited, a private limited company incorporated under the Companies Act, 1956 vide Certificate of Incorporation No. U70101DL2010PTC207186, dated 17 August 2010, with its registered office at 354, Tarun Enclave, Pitampura, New Delhi - 110034, represented by its Director Mr. Jag Mohan Garg, son of Mr. Jai Kishan Gupta, resident of KU - 73, Pitampura, Delhi - 110 034, who is authorised to sign this Settlement Agreement vide a board resolution dated 12 September 2013, which is annexed to this Settlement Agreement as **Annexure 2** (hereinafter referred to as "MIPL", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include its successors, permitted assigns, administrators and affiliates);

AND

Tavishi Enterprises Private Limited, a private limited company incorporated under the Companies Act, 1956 vide Certificate of Incorporation No. U51909DL2013PTC247584, dated 24 January 2013, with its registered office at 1A/101, Rangrasyan Arts. Sector -13, Rohini, New Delhi - 110 085, represented by its Director Mr. Jag Mohan Garg, son of Mr. Jai Kishan Gupta, resident of KU - 73, Pitampura, Delhi - 110 034, who is authorised to sign this Settlement Agreement vide a board resolution dated 12 September 2013, which is annexed to this Settlement Agreement as **Annexure 3** (hereinafter referred to as "TEPL", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include its successors, permitted assigns, administrators and affiliates);

AND

Brinda Commodity Private Limited, a private limited company incorporated under the Companies Act, 1956 vide Certificate of Incorporation No. U51909DL2013PTC247805, dated 1 February 2013, with its registered office at 406, D Mall, Pitampura, New Delhi - 110 008, represented by its Director Mr. Jag Mohan Garg, son of Mr. Jai Kishan Gupta, resident of KU - 73, Pitampura, Delhi - 110 034, who is authorised to sign this Settlement Agreement vide a board resolution dated 12 September 2013, which is annexed to this Settlement Agreement as **Annexure 4** (hereinafter referred to as "BCPL", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include its successors, permitted assigns, administrators and affiliates);

(MIPL, TEPL and BCPL are hereinafter collectively referred to as the "Mohan Group").

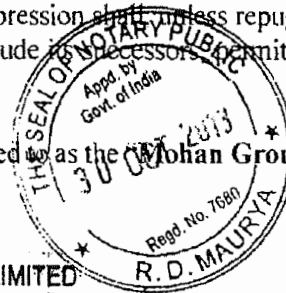
For MOHAN INDIA PVT. LTD.

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For MOHAN INTRACON PRIVATE LIMITED

Authorized Signatory



For BRINDA COMMODITY PRIVATE LIMITED
Auth. Signatory/Director

AND

Mohan Infracon Private Limited, a private limited company incorporated under the Companies Act, 1956 vide Certificate of Incorporation No. U45200DL2006PTC153009, dated 4 September 2006, with its registered office at 354, Tarun Enclave, Pitampura, New Delhi - 110034, represented by its Director Mr. Jai Shankar Srivastava, son of Shri Mahesh Pratap Lal, who is authorised to sign this Settlement Agreement vide a board resolution dated 29 October 2013, which is annexed to this Settlement Agreement as **Annexure 5** (hereinafter referred to as "**MIFPL**", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include its successors, permitted assigns, administrators and affiliates).

AND

Rashmi Gupta, wife of Sri Jag Mahon Garg, born on 4 March 1969, and a citizen and resident of India, currently residing at House No. 81 Vaishali, Pitampura, Shalimar Bagh North West Delhi-88 New Delhi, and holding PAN Card no. ABTPG2928D (hereinafter referred to as "**RG**", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include her heirs, successors, agents and authorized representatives).

AND

Suman Gupta, wife of Shri Hari Mohan Gupta born on 19 August 1974, and a citizen and resident of India, currently residing at 1A/101, RANGRASYS APTS. SECTOR-13, ROHINI, NEW DELHI-110085, and holding PAN Card no. ABTPG5984F (hereinafter referred to as "**SG**", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include her heirs, successors, agents and authorized representatives).

AND

JaiShree Baba Projects Private Limited, a private limited company incorporated under the Companies Act, 1956 vide Certificate of Incorporation No. U70101DL2005PTC133650, dated 7 March 2005, with its registered office at 354, Tarun Enclave, Pitampura, New Delhi - 110034, represented by its authorised signatory Mr Jag Mohan Garg, son of Mr. Jai Kishan Gupta, resident of KU - 73, Pitampura, Delhi - 110 034, who is authorised to sign this Settlement Agreement vide a board resolution dated 10 October 2013, which is annexed to this Settlement Agreement as **Annexure 6** (hereinafter referred to as "**JBPL**", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include its successors, permitted assigns, administrators and affiliates).

AND

Mera Baba Realty Associates Private Limited, a private limited company incorporated under the Companies Act, 1956 vide Certificate of Incorporation No. U45201DL2004PTC1262, dated 16 July 2004, with its registered office at D- Mall, A-1, Netaji Subhash Place, Pitampura New Delhi, represented by its Director Mr. Jag Mohan Garg, son of Mr. Jai Kishan Gupta, resident of KU - 73, Pitampura, Delhi - 110 034, who is authorised to sign this Settlement Agreement vide a board resolution dated 10 October 2013, which is annexed to this Settlement Agreement as **Annexure 7** (hereinafter referred to as "**MBRL**", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include its successors, permitted assigns, administrators and affiliates).

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

MOHAN INDIA PVT. LTD.

Auth. Signatory/Director

For Jai Shree Baba Projects Pvt. Ltd.

Director/ Auth. Signatory

For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory

Agreement as **Annexure 7** (hereinafter referred to as "**MBRA**", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include its successors, permitted assigns, administrators and affiliates).

AND

Jai Shankar Srivastava, son of Shri Mahesh Pratap Lal, born on 15 April 1971, and a citizen and resident of India, currently residing at 6/64 Vinet Khand, Gomti Nagar, Lucknow, and holding an Indian passport bearing no. APQPS0001J (hereinafter referred to as "**JS**", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include his heirs, successors, agents and authorized representatives).

AND

Jagmohan Garg, son of Mr. Jai Kishan Gupta, born on 28 February 1966, and a citizen and resident of India, currently residing at KU - 73, Pitampura, Delhi - 110 034, and holding an Indian passport bearing no. AHDPM3671M, and who is a common Director of MIPL, TEPL, BCPL and MIFPL (hereinafter referred to as "**JG**", which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include his heirs, successors, agents and authorized representatives).

(MIFPL, RG, SG, JBPL, MBRA, JS and JG are hereinafter collectively referred to as the "**Confirming Parties**")

(NSEL, the Mohan Group and the Confirming Parties are hereinafter collectively referred to as the "**Parties**" and individually as "**Party**")

WHEREAS

A. MIPL, TEPL and BCPL are registered as trading-cum-clearing members with NSEL, each assigned CM-ID numbers 14510, 14740 and 14730 respectively. In the course of their dealings with NSEL, the Mohan Group has incurred certain liabilities towards NSEL as of August 31, 2013, and the Mohan Group has been declared as a 'defaulter' in terms of the Bye-laws and Rule No. 41 of the NSEL Rules vide NSEL circular dated August 28, 2013. NSEL claims that the amount owed to it by the Mohan Group as of August 31, 2013 is Rs. 922 Crores (Rupees Nine Hundred Twenty-Two Crores) in the proportion set forth in Schedule 1.

B. Since NSEL and the Mohan Group were unable to mutually agree on the amount of liability owed by the Mohan Group to NSEL, NSEL and the Mohan Group initiated a conciliation process ("**Conciliation Process**") under the Arbitration and Conciliation Act, 1996 ("**Act**") and appointed Mr. Neeraj Aarora, Advocate, Enrolment No. D/973/2008 with office at D-10/4, Sector 8, Rohini, Delhi, to act as a Conciliator under section 73 of the Act ("**Conciliator**").

C. As it appeared to the Conciliator that there exist elements of settlement that could be acceptable to NSEL and the Mohan Group, the Conciliator assisted in the formulation of the terms of a possible settlement between NSEL and the Mohan Group.



For BRINDA COMMODITY PRIVATE LIMITED

Auth. Signatory/Director

For MOHAN INFRACON PRIVATE LIMITED

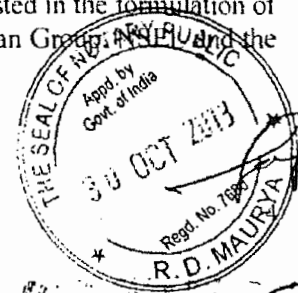
Authorized Signatory

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

MOHAN INDIA PVT. LTD.

Auth. Signatory/Director



Neeraj Aarora
Suman Bhandari

Mohan Group thereafter agreed and consented to settle their disputes and to draw up this Settlement Agreement, as provided under section 73 of the Act.

- D. Thus, as a part of the Conciliation Process, NSEL and the Mohan Group have now decided to mutually agree on a settlement amount of Rs. 771 Crores (Rupees Seven Hundred and Seventy One Crores) ("**Settlement Amount**"), as full and final settlement amount towards all obligations of the Mohan Group towards NSEL as of August 31, 2013, subject to fulfilment of the terms and conditions set forth in this Settlement Agreement (including, the payment of the Settlement Amount as per the Payment Schedule).
- E. The Confirming Parties have agreed to execute this Settlement Agreement as guarantors, guaranteeing the performance of the Mohan Group under this Settlement Agreement, having such obligations, as set forth below. The Confirming Parties' liability is subject to Clause 2.3.1 and they expressly agree to abide by Clause 2.3 and Clause 2.4 of this Settlement Agreement pertaining to forfeiture / damages and personal liability.
- F. This Settlement Agreement is being entered into by NSEL keeping in mind the interest of the investors and the express assurance given by the Mohan Group and the Confirming Parties that they would adhere to and abide by the terms and conditions of this Settlement Agreement. It is in these circumstances that NSEL is not presently pursuing the criminal cases. This Settlement Agreement is entered into on a "without prejudice" basis by NSEL and NSEL expressly reserves its rights to initiate, pursue, revive all actions, including criminal proceedings, against the Mohan Group and JS and JG, and, in so far as the other Confirming Parties are concerned, to the extent set forth below in this Settlement Agreement, in the event there is a default in payment of the Settlement Amount as per the Payment Schedule agreed upon by the Mohan Group, or there is any breach of the terms of this Settlement Agreement.

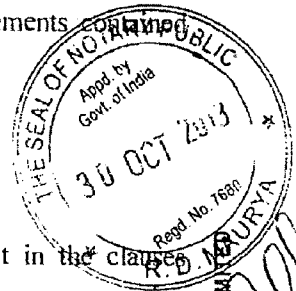
NOW THEREFORE In consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

The following defined terms shall have the meaning assigned to it in the clauses mentioned against such terms:

Act	-	Recital B
Arbitration Proceedings	-	Clause 2.5.2
Bhalotia	-	Clause 2.1.2
Bhalotia Debt	-	Clause 2.1.2
Bhalotia Document	-	Clause 2.1.2
Conciliation Process	-	Recital B
Conciliator	-	Recital B
Confirming Parties	-	Preamble
Execution Date	-	Preamble



For BRINDA COMMODITY PRIVATE LIMITED
Auth. Signatory/Director

For TAVISHI ENTERPRISES PVT. LTD.
Auth. Signatory/Director

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory



Sanjay Dandekar

[Signature]

For Jai Sir... Ltd.
[Signature]
Director/ Auth. Signatory

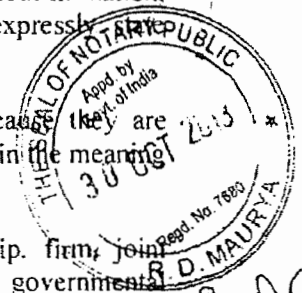
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Land	-	Clause 2.3.1
Land Documents	-	Clause 2.3.1
Milestones	-	Clause 2.1.1
Mohan Group	-	Preamble
NSEL	-	Preamble
Parties	-	Preamble
Party	-	Preamble
Payment Schedule	-	Clause 2.1.1
Settlement Amount	-	Recital CD
Settlement Payment Tranches	-	Clause 2.1.1

1.2 Interpretation

1.2.1 In this Settlement Agreement, unless the context requires otherwise, a reference to:

- Clause, Section, Schedule or Annexure is a reference to a Clause of, Section of or Schedule to or Annexure to this Settlement Agreement;
- A statutory provision includes a reference to that statutory provision as modified or re-enacted (or both) from time to time and any subordinate legislation made under that statutory provision from time to time;
- The singular includes the plural, and vice versa;
- One gender includes the other gender and the neuter;
- The words "include" and "including" shall be interpreted without limitation, irrespective of whether certain instances of those words expressly "without limitation" and other instances do not;
- General words shall not be given a restrictive meaning because they are preceded or followed by specific examples intended to fall within the meaning of those general words;
- A "person" includes any individual, corporation, partnership, firm, joint venture (whether incorporated or not), trust, government or governmental body, authority, agency or unincorporated organisation or association of persons;
- The words "day", "month" and "year" means a calendar day, a calendar month and a calendar year, respectively;



1.2.2 The headings in this Settlement Agreement and the names given to defined terms are for convenience only, and do not affect the interpretation of this Settlement Agreement.

1.2.3 All documents, notices, correspondence and information required to be produced under this Settlement Agreement shall be in English, unless this Settlement Agreement expressly provides otherwise.

For MOHAN INFRACON PRIVATE LTD.
[Signature]
Director

For SURESH... LIMITED
[Signature]
Auth. Signatory

TAVISHI ENTERPRISES PVT. LTD.
[Signature]
Auth. Signatory/Director

For MOHAN INFRACON PRIVATE LIMITED

[Signature]
Authorized Signatory
[Signature]
T.C

[Signature]
Suman Aggarwal
Rashmi

15

For Jai ...

1.2.4 If there is any discrepancy between an English language word or series of words and a word or series of words used in any other language relating to the same subject matter, then, to the extent of such discrepancy only, the meaning of the English language word or series of words shall prevail.

1.2.5 All words and phrases used in this Settlement Agreement (whether capitalised or not) shall bear their ordinary meaning unless they are defined as having a particular meaning or required to be construed in a particular manner.

1.2.6 Each of the conditions, terms, representations and warranties in this Settlement Agreement is to be construed independently of the others.

2 SETTLEMENT

2.1 Settlement Payment

2.1.1 The Parties hereby agree and acknowledge that the Mohan Group unequivocally owes to NSEL the Settlement Amount, out of which it shall pay Rs. 736 Crores (Rupees Seven Hundred and Thirty Six Crores) to NSEL in 13 (thirteen) tranches ("Settlement Payment Tranches") as per the payment schedule set forth in Schedule 2 ("Payment Schedule"), and the remaining Rs. 35 Crores (Rupees Thirty Five Crores) shall be paid to NSEL as per the provisions of Clause 2.1.2. The Parties also hereby agree and acknowledge that NSEL owes no amounts whatsoever to the Mohan Group or the Confirming Parties. The Parties further agree and acknowledge that the payment milestones prescribed in the Payment Schedule ("Milestones") are critical, and for the purposes of this Settlement Agreement, time is of the essence.

2.1.2 NSEL hereby agrees to the Mohan Group assigning a debt of Rs. 35 Crores (Rupees Thirty Five Crores), legally and validly owed by Mr. S. R. Bhalotia, a citizen of India, currently residing at Pragya Apartment, 203A Ground Floor, Block A, Lake Town, Kolkata 700089, and holding a PAN Card No. ADBPB4483A ("Bhalotia Debt"), to the Mohan Group ("Bhalotia Debt"), in favour of NSEL. The Mohan Group hereby undertakes to provide an assignment deed in favour of NSEL, along with proof of the transfer of funds from Mohan Group to Bhalotia as loan and a confirmation by Mohan Group of the debt owed by Bhalotia, so that NSEL can legally and contractually pursue and recover the Bhalotia Debt ("Bhalotia Document") and shall extend all support and cooperation to NSEL in procuring payment of the Bhalotia Debt by Bhalotia to NSEL.

2.1.3 In the event the Mohan Group anticipates a delay in making good one or more Settlement Payment Tranches as per the Payment Schedule, Mohan Group shall notify NSEL of such delay sufficiently in advance (but, in any event, at least 5 days prior to the applicable Milestone(s)), and NSEL will extend the applicable Milestone(s) for payment, provided, however, that:

- (a) No extension shall be granted by NSEL for payment of the first, second, third, fourth and fifth Settlement Payment Tranches; and
- (b) The extension for payment of the sixth to the eleventh Settlement Payment Tranches (both inclusive) shall not exceed 15 days in all, whereas the

For MOHAN INDIA PVT. LTD.

Director

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory



Suman Jaiswal

Auth. Signatory/Director

For BRINDA CONNECTIVITY PRIVATE LIMITED

Director/Auth. Signatory

extension for the payment of the twelfth and thirteenth Settlement Payment Tranches shall not exceed 60 days in all; and

- (c) Any such extension shall not affect the Payment Schedule vis-à-vis the Settlement Payment Tranches other than the Settlement Payment Tranche(s) for which the extension is obtained under this Clause 2.1.3; and
- (d) The last date for full and final payment for the entire Settlement Amount shall not extend beyond the Milestone mentioned at serial no. 13 of the Payment Schedule (that is, the aforesaid full and final payment shall be made no later than 14 months from the Execution Date).

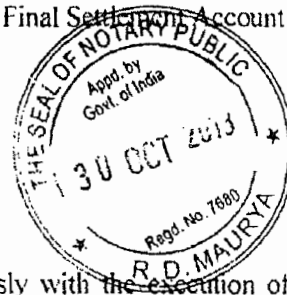
2.1.4 The liability of the Mohan Group to NSEL under this Settlement Agreement shall be joint and several and NSEL may recover the Settlement Amount from MIPL, TEPL, BCPL, JS and / or JG.

2.2 Mode of Payment

2.2.1 The first Settlement Payment Tranche mentioned at serial no. 1 of the Payment Schedule shall be paid by way of Bank Drafts totalling Rs. 2.50 Crores (Rupees Two Crores and Fifty Lacs) and cheques totalling Rs. 8.50 Crores (Rupees Eight Crores and Fifty Lacs), all drawn on a recognized bank registered in India, simultaneously with the execution of this Settlement Agreement.

2.2.2 All other payments towards the Settlement Amount shall be made by cheques as described in the Payment Schedule, which have been issued in due discharge of the liability of the Mohan Group as set out in this Settlement Agreement. At the sole discretion of NSEL, such payments may in the alternative be paid vide (a) bank drafts, (b) bankers cheques drawn on recognized banks registered in India, or (c) through direct wire transfers of immediately available funds to the bank account of NSEL, details of which are as set forth below.

Account Holder: National Spot Exchange Limited Final Settlement Account
Bank Account Number: 91302 00367 26487
Bank Name: Axis Bank
Bank Branch: Fort Branch
IFSC Code: utib 000 000 4



2.3 Forfeiture

2.3.1 MIFPL, RG, SG, JBPL and MBRA shall, simultaneously with the execution of this Settlement Agreement, deposit with NSEL a mortgage deed to mortgage by deposit of title deeds to the following immovable properties, including all structure(s) and superstructure(s) thereon (that is, both existing structure(s) / superstructure(s) and those that may be constructed in the future), as well as the development rights, fresh pattas etc. that may be released by UIT/UDH of the Government of Rajasthan and from the Delhi Development Authority (DDA) or other authorities in respect thereof ("Land"), along with such other supporting documentation required by and for NSEL to own, sell.

For MOHAN INDIA PVT. LTD.

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory

For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory

For BRINDA COMMODITY PRIVATE LIMITED

Auth. Signatory/Director



Suman Jaiswal

For Jai Shree Baba Pvt. Ltd.
Director/ Auth. Signatory

transfer and alienate the Land at its own discretion, including a duly executed, irrevocable, registered and absolute power of attorney in a form approved by NSEL ("Land Documents");

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- (a) 90% share of Khasra no. 468 known as. 7, Court Road, Civil Lines, Delhi admeasuring 14,000 sq. yards, which is located in the front portion of the plot facing Court Road (the remaining 10% of Khasra no. 468, is located at the rear portion of the plot) as per Schedule 3.
- (b) 500 (Five Hundred) acres situated at Bikaner, Rajasthan, as per Schedule 3.

The liability of MIFPL, RG, SG, JBPL and MBRA shall be limited to the value of the Land(s) realised by NSEL from sale and/or transfer and/or alienation of the said Land(s).

- 2.3.2 MIFPL, RG, SG, JBPL and MBRA shall additionally, and simultaneously with the execution of this Settlement Agreement, deposit with NSEL complete documents evidencing the above-said Confirming Parties' full and unencumbered ownership and title over the Lands.

Provided, however, that upon payment of Rs. 450 Crores (Rupees Four Hundred and Fifty Crores) as per the Payment Schedule, the Mohan Group shall be either entitled to receive the title deeds, including the mortgage deed, of the Land at serial no. (b) in Clause 2.3.1 or, *in the alternative*, upon payment of Rs. 600 Crores (Rupees Six Hundred Crores) as per the Payment Schedule, the Mohan Group shall be entitled to receive the title deeds, including the mortgage deed, of the Land at serial no. (a) in Clause 2.3.1. It is clearly understood by the Parties that at all times during the term of this Settlement Agreement, at least one of the Lands listed in Clause 2.3.1 shall stand mortgaged to NSEL and be subject to the rights of NSEL set out in this Settlement Agreement, till final payment of the Settlement Amount.

- 2.3.3 MIFPL, RG, SG, JBPL and MBRA agree that on the occurrence of a default under Clause 3.1, NSEL shall have the right to confiscate, sell, transfer or alienate the Land for a consideration determined by NSEL at its sole discretion, it being understood by the Parties that any amounts recovered by NSEL on such transfer of the Land shall be treated in the manner set forth in Clause 4.2. The Mohan Group and MIFPL, RG, SG, JBPL and MBRA shall fully assist in, and shall in no manner whatsoever obstruct or hinder, the confiscation, sale, transfer or alienation of the Land. If required, Mohan Group and MIFPL, RG, SG, JBPL and MBRA shall execute any additional supporting documents as may be required by NSEL to confiscate, sell, transfer or alienate the Land. NSEL shall also be entitled to peacefully take over the physical possession of the Land in the event of default. NSEL shall further be entitled to publish appropriate advertisements for the non-encumbrance, sale, transfer or alienation of the Land.

2.4 Personal Liability

JS and JG hereby agree that they shall be liable, both jointly and severally, for all payments towards the Settlement Amount in their individual capacity and not as officers, employees, agents or representatives of any person or entity. In the event of non-

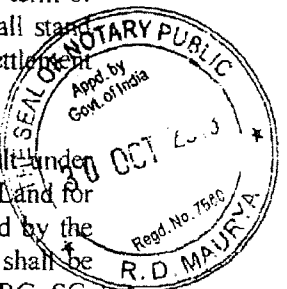
For MOHAN INDIA PVT. LTD.
Director

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For MOHAN INFRA PRIVATE LIMITED

Authorized Signatory



For BRINDA COMMUNITY PRIVATE LIMITED

Auth. Signatory/Director

Suman Jaiswal

For Jai ...

Director/ Auth. Signatory

payment of the Settlement Amount or any other amount owed to NSEL as per the terms of this Settlement Agreement, JS and JG hereby agree to their personal properties being utilized to pay such amount(s).

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2.5 Withdrawal of Complaint and Settlement of Court Proceeding

2.5.1 On the execution of this Settlement Agreement, the Mohan Group shall withdraw the following criminal complaint filed by them:

- (a) Complaint dated 13 September 2013, filed at Police Station Mongolpuri, Delhi, against National Spot Exchange Limited, Joseph Massey, Jignesh Prakash Shah, Anjani Sinha, and other unknown accused persons.

2.5.2 Immediately after the Execution Date, NSEL and the Mohan Group shall file a copy of this Settlement Agreement through a joint application before the Honourable High Court of Judicature at Bombay in *Tarun Amarchand Jain HUF & Another versus Forward Markets Commission & 5 Others*, Writ Petition (Lodge) No. 2340 of 2013, as well as in the following arbitration petitions ("**Arbitration Proceedings**"), and Mohan Group shall unequivocally undertake to the Honourable High Court of Judicature at Bombay to abide by the terms of this Settlement Agreement in the aforesaid writ proceedings and the below mentioned Arbitration Proceedings:

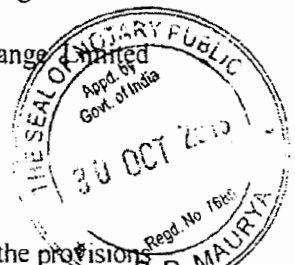
- (a) Tavishi Enterprises Private Limited versus National Spot Exchange Limited, Arbitration Petition No. 1472 of 2013;
- (b) National Spot Exchange Limited versus Tavishi Enterprises Private Limited and Others, Arbitration Petition No. 1525 of 2013;
- (c) Mohan India Private Limited versus National Spot Exchange Limited Arbitration Petition No. 1570 of 2013;
- (d) Mohan India Private Limited versus National Spot Exchange Limited Arbitration Petition No. 1634 of 2013; and
- (e) Tavishi Enterprises Private Limited versus National Spot Exchange Limited Arbitration Petition No. 1635 of 2013.

3 DEFAULT AND END OF SETTLEMENT

3.1 Default

Any failure of the Mohan Group or the Confirming Parties to comply with the provisions of this Settlement Agreement, *including but not limited to* the following, shall amount to a material breach of this Settlement Agreement, and shall qualify as a ground for termination of this Settlement Agreement under Clause 4.2:

- (a) Failure to make a Settlement Payment Tranche as per the Payment Schedule, subject to any extension granted pursuant to Clause 2.1.3;
- (b) Failure to furnish the Bhalotia Documents at the request of NSEL as per Clause 2.1.2;



For MOHAN INDIA PVT. LTD.
Director

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory

For MOHAN INDIA PRIVATE LIMITED

Authorized Signatory



For BRINDA COMMODITY PRIVATE LIMITED
Auth. Signatory/Director

Suman

For Jai Shree Bah. P. 19
Director/ Auth. Signatory

- (c) Failure to withdraw the police complaint as per Clause 2.5.1;
- (d) Dishonour of any cheque issued by the Mohan Group, for any reason whatsoever;
- (e) Any representation or warranty specified in Clause 6 being incorrect at any time on or after the Effective Date;
- (f) Failure to comply with the terms of Clause 2.3;
- (g) Any other breach of this Settlement Agreement, whether considered material or not.

For the avoidance of doubt, the determination of NSEL that any of the aforesaid breach(es) has occurred shall be final, conclusive and binding on the Parties, and the Mohan Group, the Confirming Parties shall not dispute such determination of NSEL in any manner whatsoever.

3.2 Settlement Prerequisite

THE PARTIES HEREBY CONFIRM THAT THE SETTLEMENT AGREED TO UNDER THIS SETTLEMENT AGREEMENT IS SUBJECT TO SATISFACTION OF EACH OF THE OBLIGATION OF THE MOHAN GROUP AND THE CONFIRMING PARTIES, AS SET FORTH HEREIN. FOR THE AVOIDANCE OF DOUBT, OCCURRENCE OF A SINGLE BREACH OF A PROVISION OF THIS SETTLEMENT AGREEMENT, WHETHER MATERIAL IN NATURE OR NOT, INCLUDING A SINGLE NON-PAYMENT OF ANY SETTLEMENT PAYMENT TRANCHE ON THE MILESTONE AND IN THE MANNER AS SET FORTH HEREIN, SHALL TERMINATE THE SETTLEMENT BETWEEN THE PARTIES, AT THE OPTION OF NSEL.

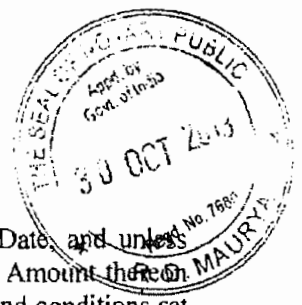
4 TERM AND TERMINATION

4.1 Term

This Settlement Agreement shall come into force on the Execution Date, and unless terminated by NSEL earlier, shall continue until the entire Settlement Amount thereon has been paid to NSEL as per Clause 2.1, in satisfaction of the terms and conditions set forth herein.

4.2 Effect of Termination

- 4.2.1 Without prejudice to any other right in law and/or equity that NSEL may have, on termination of this Settlement Agreement, for any reason whatsoever, NSEL may undertake the following actions, at its sole discretion:



For MOHAN INDIA PVT. LTD.

Director

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory

For MOHAN

TE LIMITED

Authorized Signatory



Auth. Signatory/Director

For BRINL. P. 19

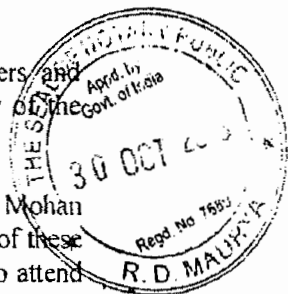
- (a) In the event the Mohan Group fails to pay the first Settlement Tranche for any reason whatsoever, Mohan Group shall be liable to pay Rs. 150 Crores (Rupees One Hundred and Fifty Crores) as damages which shall be recoverable by NSEL by undertaking steps in accordance with Clause 2.3. In the event the Mohan Group fails to pay the second Settlement Payment Tranche, NSEL shall (i) forfeit the sum of Rs. 11 Crores (Rupees Eleven Crores) paid as the first Settlement Payment Tranche and (ii) undertake steps in accordance with Clause 2.3 and forfeit the amount received by NSEL pursuant to such steps to the extent of Rs. 139 Crores (Rupees One Hundred and Thirty Nine Crores) as damages. Any amounts received by NSEL pursuant to the aforesaid steps undertaken in accordance with Clause 2.3 which exceed the agreed damages of Rs. 150 Crores (Rupees One Hundred and Fifty Crores), shall be adjusted towards the Settlement Amount.
- (b) In the event the Mohan Group fails to pay any other Settlement Payment Tranche, NSEL shall (i) forfeit all amounts paid by the Mohan Group up till the date of termination and (ii) undertake steps in accordance with Clause 2.3 and forfeit the amount received by NSEL pursuant to such steps to the extent of Rs. 100 Crores (Rupees One Hundred Crores) as damages. Any amounts received by NSEL pursuant to the aforesaid steps undertaken in accordance with Clause 2.3 which exceed the agreed damages of Rs. 100 Crores (Rupees One Hundred Crores), shall be adjusted towards the Settlement Amount.
- (c) Undertake the steps in accordance with Clause 2.3
- (d) Revive the Arbitration Proceedings initiated by NSEL;
- (e) Initiate criminal actions against the Mohan Group and/or JS and JG for all acts and defaults committed by Mohan Group;
- (f) File contempt proceedings before the Honourable High Court of Judicature at Bombay for breach of the undertaking given to the said Court.

4.2.2 The Mohan Group and the Confirming Parties appoint NSEL and its officers, and authorised representatives to be their duly constituted attorneys for all or any of the following purposes, namely:

- (a) To sign all papers, documents, agreements, indentures and writings that the Mohan Group and the Confirming Parties would be bound to do under or in pursuance of these presents and / or in respect of the sale, transfer or alienation of the Land and to attend before the Sub-Registrar of Assurances and admit execution thereof;
- (b) Generally to do, perform and execute or cause to be done, performed or executed all acts, deeds, matters, things and documents in all matters arising under or out of or concerning or touching these presents as the Mohan Group and the Confirming Parties could itself do, perform or execute.

The Mohan Group and the Confirming Parties agree that the above powers may be exercised without any prior notice to the Mohan Group or Confirming Parties and further agree to ratify and confirm all that NSEL or any substitute or substitutes appointed by

For MOHAN INFRASTRUCTURE PVT. LTD.
Director



TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For MOHAN INFRASTRUCTURE LIMITED

Authorized Signatory



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Auth. Signatory/Director

Ravi Kumar
Suman

For Jai Shree Boka Pvt. Ltd.
Director/Auth. Signatory

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NSEL may lawfully do or cause to be done in exercise of the aforesaid powers. The Mohan Group and the Confirming Parties agree to give and / or provide all assistance in said respect. The Mohan Group and the Confirming Parties further agree that the aforesaid powers have been granted for valuable consideration and as such shall be irrevocable in nature till such time as any amount remains due and payable under or in respect of or in pursuance of the liabilities of the Mohan Group and/or the Confirming Parties. The Mohan Group and the Confirming Parties have duly executed irrevocable powers of attorney in favour of Mr. Azam Ali, son of Mr. Sajjad Ahmad, resident of A-4, Raj Avenue, DLF, Bhopura, Gaziabad, who is the authorized representative of NSEL.

5 INDEMNIFICATION

Without prejudice to any other right of NSEL, the Mohan Group and the Confirming Parties agree to indemnify and keep indemnified and hold harmless NSEL and all its authorised representatives against any loss, costs, charges or expenses which NSEL shall certify as having been sustained or incurred by it as a consequence of any default by the Mohan Group and/or the Confirming Parties in respect of this Settlement Agreement.

6 REPRESENTATION AND WARRANTIES

6.1 Authority

Each of the Parties represents and warrants that it has obtained all necessary corporate approvals to execute and perform this Settlement Agreement and that, subject to Clause 7.6, no consent, approval, or withholding of objection is required from any external authority with respect to the execution and performance of this Settlement Agreement. The Mohan Group and the Confirming Parties further represent and warrant that they have not concealed any fact from NSEL to evade any liabilities towards NSEL that have been described in this Settlement Agreement.

6.2 No Conflict

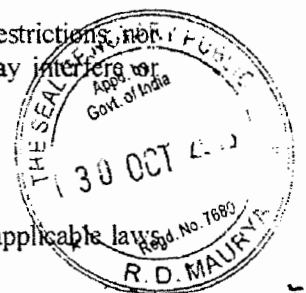
Each of the Parties represents and warrants that it has no obligations or restrictions, nor will it assume any such obligation or restriction, that would in any way interfere or conflict with any of its rights and duties under this Settlement Agreement.

6.3 Compliance With Applicable Law

Each of the Parties represents and warrants that it shall comply with all applicable laws and regulations in its conduct pursuant to this Settlement Agreement.

6.4 Title, Ownership and Possession

MIFPL, RG, SG, JBPL and MBRA represent and warrant that they have absolute right, title (including marketable title), ownership and possession of the Land, and that the Land is free from all encumbrances, acquisitions, ceiling(s), defects and charges of any nature whatsoever, are freely transferable and may be modified or constructed upon



For MOHAN INDIA PVT. LTD.

Director

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For MOHAN INDIA PVT. LTD.

TE LIMITED

Authorized Signatory



For BRINDA COMMODITY PRIVATE LIMITED
Auth. Signatory/Director

Suman Bhandari

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For Jai Shree Baba Pr
fff id.
Director/Auth. Signatory

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without the need for any prior consent or authorization from any third party, including any governmental body. In the event there is any such requirement, the necessary consent(s), authorisation(s) and/or approval(s) shall be obtained by Mohan Group and/or the Confirming Parties and if the Mohan Group and/or the Confirming Parties fail to obtain the necessary consent(s), authorisation(s) and/or approval(s), NSEL shall be additionally entitled to procure the said consent(s), authorisation(s) and/or approval(s). The Mohan Group and the Confirming Parties confirm there are no pending or threatened litigation in respect of such Land. MIFPL, RG, SG, JBPL and MBRA also represent and warrant that they shall not take any steps to dispose of, sell, transfer, alienate or create any other encumbrance or third party right(s) on the Land until the Settlement Payment and the corresponding interest amount is paid to NSEL in full as per the terms and conditions set forth in this Settlement Agreement.

6.5 Cooperation

The Parties represent that they shall cooperate with each other in respect of any action and/or investigation by a governmental agency or court or tribunal, in so far as the relationship between the Parties under this Settlement Agreement is concerned. The Parties also represent that they shall cooperate with each other in performance of the obligations under this Settlement Agreement, including execution of all relevant documents required for giving effect to the provisions of this Settlement Agreement.

6.6 Honour of Cheques

The Mohan Group represent and warrant and undertake that it has sufficient funds to honour the cheques presented by them to NSEL towards payment of the Settlement Amount. The Mohan Group further represents, warrants and undertakes that the cheques issued by them to NSEL shall be honoured by the respective banks on which it is drawn, and the Mohan Group shall not issue any instructions to the banks or take any other steps which may result in dishonouring the cheque(s). Mohan Group shall give an undertaking to the Hon'ble High Court of Judicature at Bombay in *Tarun Amarchand Jain HUF & Another versus Forward Markets Commission & 5 Others*, Writ Petition (Lodg) No. 2340 of 2013, in respect of the above.

For MOHAN INDIA PVT. LTD.
fff
Director

7 MISCELLANEOUS

7.1 Duty and Taxes

All costs, including but not limited to stamp duties, registration charges, and any other duties and taxes, relating to execution and performance of this Settlement Agreement, the Land Documents, and any agreement executed pursuant to this Settlement Agreement shall be borne jointly and severally by the Mohan Group and the Confirming Parties.



7.2 Notices

All notices, intimation, and other communications in connection with this Settlement Agreement shall be in writing and shall be deemed given (and shall be deemed to have been duly given upon receipt) if delivered personally (with proof of delivery), mailed by

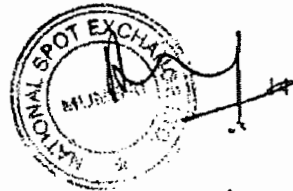
MOHAN INDIA PVT. LTD.
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TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Di

For MOHAN INFRASTRUCTURE LIMITED

Auth. Signatory



Suman Jaiswal
Ramesh

For Jai Shree Ltd.

Director/ Auth. Signatory

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registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to NSEL:

National Spot Exchange Limited
FT Tower, 4th Floor, CTS No. 256 & 257
Suren Road, Andheri (East)
Mumbai - 400 093
Attention: Director

If to the Mohan Group:

Mr. Jag Mohan Garg
Son of Mr. Jai Kishan Gupta
KU - 73, Pitampura
Delhi - 110 034

If to the Confirming Parties:

Mr. Hari Mohan Garg
Son of Mr. Jai Kishan Gupta
354 Tarun Enclave
Pitampura
Delhi - 110 034



7.3 Conflict; Binding Effect; Assignments

In the event of any conflict between this Settlement Agreement and any other agreement between the Parties, the provisions of this Settlement Agreement shall govern. This Settlement Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and administrators. This Settlement Agreement shall not be assignable by any of the Parties. This Settlement Agreement, however, shall be binding on successors of the Parties.

7.4 Third Party Beneficiaries

Except as otherwise provided in this Settlement Agreement, nothing contained in this Settlement Agreement is intended to confer any rights or remedies under or by reason of this Settlement Agreement on any person or entity other than the Parties, nor is anything in this Settlement Agreement intended to relieve or discharge the obligation or liability of any third party to any Party, nor shall any provision give any third party any right of subrogation or action over or against any Party.

For MOHAN INFRACON PRIVATE LIMITED
Director

For BRINDA COMMODITY PRIVATE LIMITED
Auth. Signatory/Director

AVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For MOHAN INFRACON PRIVATE LIMITED

Auth. Signatory



For BRINDA COMMODITY PRIVATE LIMITED

Auth. Signatory/Director

Suman J. Suman

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For Jai Shree Baba Prasad Pvt. Ltd.
 Director/ Auth. Signatory

7.5 Waiver; Modification; Amendment

Except as otherwise specifically provided herein, this Settlement Agreement shall not be modified, waived, amended or supplemented unless such modification, waiver, amendment or supplement is in writing and has been signed by each Party. No waiver of any of the provisions of this Settlement Agreement shall be deemed or constitute a waiver of any other provision of this Settlement Agreement, whether or not similar, nor shall any waiver be deemed a continuing waiver.

7.6 Entire Agreement

This Settlement Agreement, including its Annexures and Schedules, constitutes the entire agreement between the Parties with respect to the subject matter contained in this Settlement Agreement and supersedes all prior agreements, whether written or oral, with respect to such subject matter. This Settlement Agreement is the product of negotiations between the Parties and represents the Parties' intentions. This Settlement Agreement is subject to the approval of, and any changes, alterations or amendments (as the case may be) made by, the Economic Offences Wing (Mumbai), the Forward Markets Commission (Government of India) and the Hon'ble High Court of Judicature at Bombay.

7.7 Severability

If any term or other provision of this Settlement Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Settlement Agreement shall nonetheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or unenforceable in any respect, the Parties shall negotiate in good faith to modify this Settlement Agreement to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible.

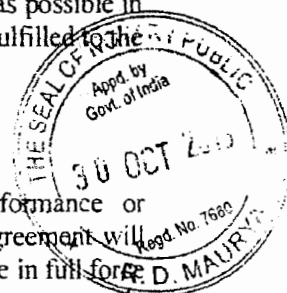
7.8 Survival

Any provision of this Settlement Agreement that contemplates performance or observance subsequent to termination or expiration of this Settlement Agreement will survive termination or expiration of this Settlement Agreement and continue in full force and effect.

7.9 Counterparts

This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Settlement Agreement.

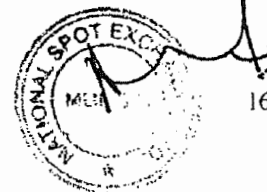
For MOHAN INDIA PVT. LTD.
 Director



For BRINCA... LIMITED
 Director

TAVISHI ENTERPRISES PVT. LTD.

For MOHAN INDIA PVT. LTD. PRIVATE LIMITED



Auth. Signatory/Director

Auth. Signatory

For BRINCA... LIMITED

Suman J. Sawal

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For Jai Shree Baba Enterprises Pvt. Ltd.
[Signature]
Director/Authorized Signatory

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7.10 Applicable Law

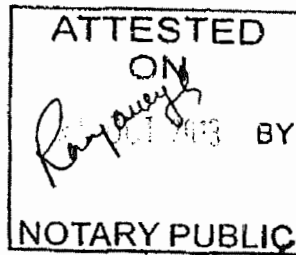
This Settlement Agreement is to be construed and interpreted in accordance with the laws of the Republic of India, and all disputes arising from or in connection with this Settlement Agreement shall be submitted to the competent court of Mumbai. Nothing herein shall preclude NSEL from seeking and obtaining from a court of competent jurisdiction appropriate equitable relief, including without limitation, a temporary restraining order or other injunctive relief, to prevent a breach of this Settlement Agreement, or to otherwise maintain the status quo.

[Signature Page Follows]

For MOHAN INDIA PVT. LTD.

[Signature]
Director

[Signature]



[Signature]
Suman J. Suman

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TAVISHI ENTERPRISES PVT. LTD.

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Auth. Signatory/Director

For MOHAN INDIA

PRIVATE LIMITED

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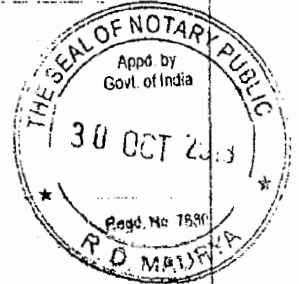
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For BRINDA COMMODITY PRIVATE LIMITED
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Auth. Signatory/Director

**ACCEPTED AND AGREED BY THE FOLLOWING AUTHORIZED
REPRESENTATIVES OF THE PARTIES AS OF THE EXECUTION DATE:**

<p>For and on behalf of NSEL</p> <p>Signature <u>[Signature]</u></p> <p>Name: Saji Cherian</p> <p>Designation: Managing Director & CEO</p>	<p>Signature _____</p> <p>Name: Suman Gupta</p> <p><u>Suman Gupta</u></p>
<p>For and on behalf of MIPL</p> <p>Signature <u>[Signature]</u></p> <p>Name: Jag Mohan Garg</p> <p>Designation: Director</p>	<p>Signature _____</p> <p>Name: Rashmi Gupta</p> <p><u>Rashmi</u></p>
<p>For and on behalf of TEPL</p> <p>Signature <u>[Signature]</u></p> <p>Name: Jag Mohan Garg</p> <p>Designation: Director</p>	<p>For and on behalf of JBPL</p> <p>Signature <u>[Signature]</u></p> <p>Name: Jag Mohan Garg</p> <p>Designation: Authorised Signatory</p>
<p>For and on behalf of BCPL</p> <p>Signature <u>[Signature]</u></p> <p>Name: Jag Mohan Garg</p> <p>Designation: Director</p>	<p>Signature <u>[Signature]</u></p> <p>Name: Jai Shankar Srivastava</p>
<p>For and on behalf of MIFPL</p> <p>Signature <u>[Signature]</u></p> <p>Name: Jai Shankar Srivastava</p> <p>Designation: Director</p>	<p>Signature <u>[Signature]</u></p> <p>Name: Jag Mohan Garg</p>



Rashmi
Suman Gupta

[Signature]

TAVISHI ENTERPRISES PVT. LTD.

For Mera Baba Reality Associates Pvt. Ltd.

[Signature]
Auth. Signatory/Director

Auth. Signatory/Director

[Signature]
18 Director

For MOHAN INFRACON PRIVATE LIMITED

MOHAN INDIA PVT. LTD.

For Jet Shree Infracon Pvt. Ltd.

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Authorized Signatory

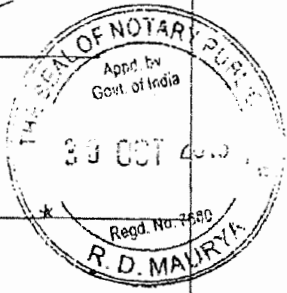
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Director/Auth. Signatory

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		For and on behalf of MBRA Signature <u><i>falt</i></u> Name: Jag Mohan Garg Designation: Director
Witnessed By: Signature <u><i>NKDHANE</i></u> Name <u>NEERAJ SHARMA</u> <u>30/10/13</u> <u>26A/605, BIMBISA</u> <u>NAGAR, GOREGAON(E)</u> <u>MUMBAI 400065</u>	Witnessed By: Signature <u><i>Mukul</i></u> Name <u>MUKUL GUPTA</u> <u>30/10/13</u> <u>A-12, RANA ROAD</u> <u>ADARSH NAGAR</u> <u>N. DELHI - 33</u>	

For BRINDA COMMODITY PRIVATE LIMITED
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Auth. Signatory/Director

For MOHAN INDIA PVT. LTD.
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Director

For Jat Shree...
falt
Director/Auth. Signatory

falt
Coordinator

falt

For MOHAN INFRACON PRIVATE LIMITED

W
Authorized Signatory

AVISHI ENTERPRISES PVT. LTD.

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Auth. Signatory/Director

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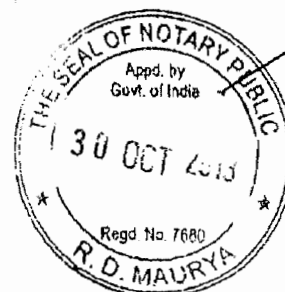
SCHEDULE 1**AMOUNTS IN DISPUTE**

No.	Description	Amount (Cr.)
1.	An obligation arising out of contracts traded on the NSEL platform by Mohan India Pvt. Ltd.	575
2.	An obligation arising out of contracts traded on the NSEL platform by Tavishi Enterprises Pvt. Ltd	333
3	An obligation arising out of contracts traded on the NSEL platform by Brinda Commodities Pvt. Ltd.	14
	Total	922

For BRINDA COMMODITY PRIVATE LIMITED

Auth. Signatory/Director

For MOHAN INDIA PVT. LTD



Director

For Jai Shree Baha Pvt. Ltd.

Director/Auth. Signatory

[Signature]
Conciliator

[Signature]

[Signature]

For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director



Suman Jaiswal

20/10/13

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For Jat Shree Baba

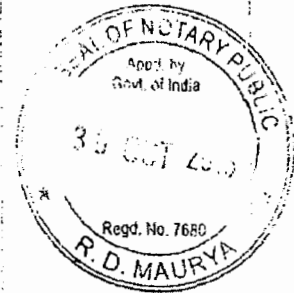
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Director/ Auth. Signatory

SCHEDULE 2

SETTLEMENT PAYMENT SCHEDULE

S. No.	Payment Date (Milestones)	Amount (Rs.)	Instrument Number	Bank Details
1.	Execution Date	11,00,00,000	<p>Demand bearing No. 074329 dated 26 October 2013 for One Crore Only.</p> <p>Demand bearing No. 074345 dated 28 October 2013 for Fifty Lakhs Only.</p> <p>Demand bearing No. 074368 dated 29 October 2013 for One Crore Only.</p> <p>Cheque dated 29 October 2013 of amount Rs. 8.5 Crore only bearing No. 093248</p>	Drawn on Axis Bank
2.	On or before 2 nd Dec 2013	59,00,00,000	<p>Cheque dated 25 November 2013 bearing no 093249 for the amount of Rs. 20 Crore only</p> <p>Cheque dated 2 December 2013 bearing No. 093231 for the amount of Rs. 20 Crore only</p> <p>Cheque dated 7 December 2013 bearing No. 093250 for the amount of Rs. 19 Crore only</p>	



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Suman D. D. D.

For MOHAN INDIA PVT. LTD.
[Signature]
Director

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TAVISHI ENTERPRISES PVT. LTD.
Auth. Signatory/Director

[Signature]
For BRINDA COMMODITY PRIVATE LIMITED
Auth. Signatory/Director



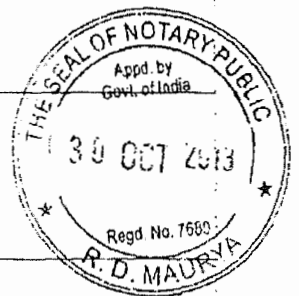
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For MOHAN

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Director/ Auth. Signatory
Director/ Auth. Signatory

3.	On or before December 30, 2013	20,00,00,000	Cheque dated 30 December 2013 bearing no. 093233 for the amount of Rs. 20 crore only
4.	On or before January 30, 2014	30,00,00,000	Cheque dated 30 January 2014 bearing no. 093234 for the amount of Rs. 30 crore only
5.	On or before February 28, 2014	30,00,00,000	Cheque dated 28 February 2014 bearing no. 093235 for the amount of Rs. 30 crore only
6.	On or before March 31 st , 2014	25,00,00,000	Cheque dated 31 March 2014 bearing no. 093236 for the amount of Rs. 25 crore only
7.	On or before April 30 th , 2014	25,00,00,000	Cheque dated 30 th April 2014 bearing no. 093237 for the amount of Rs. 25 crore only
8.	On or before May 31 st , 2014	25,00,00,000	Cheque dated 31 st May 2014 bearing no. 093238 for the amount of Rs. 25 crore only
9.	On or before June 30 th , 2014	25,00,00,000	Cheque dated 30 th June 2014 bearing no. 093239 for the amount of Rs. 25 crore only
10.	On or before July 31 st , 2014	25,00,00,000	Cheque dated 31 July 2014 bearing no. 093240 for the amount of Rs. 25 crore only
11.	On or before August 31 st , 2014	50,00,00,000	Cheque dated 31 August 2014 bearing no. 093241 for the amount of Rs. 25 crore only
			Cheque dated 31



For MOHAN INDIA PVT. LTD.

Director

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Auth. Signatory

For MOHAN INFRACON

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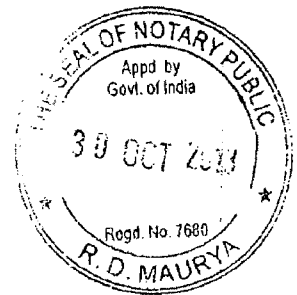


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For BRINDA COMMODITY PRIVATE LIMITED

Auth. Signatory/Director

			August 2014 bearing no. 093242 for the amount of Rs. 25 crore only
12.	On or before 30 th September 2014	200,00,00,000	<p>Cheque dated 30 September 2014 bearing no. 093243 to 46 for the amount of Rs. 25 crore each from Mohan India Private Ltd.</p> <p>Cheque dated 30 September 2014 bearing no. 093247 for the amount of Rs. 26 Crore only from Mohan India Private Ltd</p> <p>Cheque dated 30 September 2014 bearing no. 006285 to 86 for the amount of Rs. 25 crore each from Brinda Commodity Private Ltd.</p> <p>Cheque dated 30 September 2014 bearing no. 006287 for the amount of Rs. 24 Crore only from Brinda Commodity Private Ltd.</p>
13.	On on before 31 st October 2014	211,00,00,000	<p>Cheque dated 31 October 2014 bearing no. 093251 to 53 for the amount of Rs. 25 Crore each from Mohan India Private Ltd.</p> <p>Cheque dated 31 October 2014</p>



For MOHAN INDIA PVT. LTD.

Director

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For MOHAN

PRIVATE LIMITE

Authorized Sign



For BRINDA COMMODITY PRIVATE LIMITED

Suman J. Sood

For Jai Shree Baba Prasad Pvt. Ltd.

[Signature]
Director/ Auth. Signatory

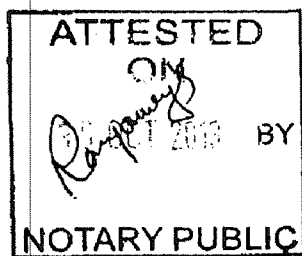
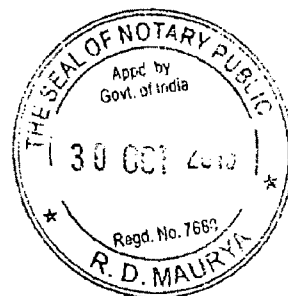
bearing no. 093254
of 36 Crore from
Mohan India Private
Ltd.

Cheque dated 31
October 2014
bearing no. 093255
and 093256 for 50
Crore each from
Mohan India Private
Ltd

For MOHAN INDIA PVT. LTD.
[Signature]
Director



[Signature]



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[Signature]

[Signature]

TAVISHI ENTERPRISES PVT. LTD.

[Signature]
Auth. Signatory/Director

For MOHAN INFRA PRIVATE LIMITED

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Authorized Signatory

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Suman

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For Jai Shree Ltd.

[Signature]

Director/Auth. Signatory

SCHEDULE 3

SCHEDULE OF LAND

SCHEDULE OF LAND AT 7, COURT ROAD, CIVIL LINES, DELHI

1. Sale deed dated 29.11.2006 by Ved Kumari Mittal, owner of 1/40 undivided share of the entire property (15666 sq.yds) bearing bungalow no. 7 Court Road New Delhi, which comprises of pucca single story bungalow with free hold land admeasuring 15666 sq.yds more or less at site in revenue being KHASRA NO. 468 KNOWN AS 7 COURT ROAD CIVIL LINES DELHI as per plan annexed together with all the super structures standing thereon and bounded as above **IN FAVOUR OF** Mohan Infracon Pvt. Ltd vide registration number 7814.

North By: 16 quarters, 4 garages of Govt Land and road adjoining to lieutenant Governor House

South By: Court Road

East By: No. 5 Court Road, Govt. premises apartments where previously Delhi Distt and session courts used to exists.

West by: Common Compound wall bungalow no. 9 Court Road property of Sh. Madan Lal Jain and Ors and property of 7A and 7 Rajpur Road Delhi.

2. Sale deed dated 29.11.2006 by Kavita Mittal owner of 1/40 undivided share of the entire property (15666sq.yds) bearing bungalow no. 7 Court Road New Delhi which comprises of pucca single story bungalow with free hold land admeasuring 15666 sq.yds more or less at site in revenue being KHASRA NO. 468 KNOWN AS 7 COURT ROAD CIVIL LINES DELHI as per plan annexed together with all the super structures standing thereon and bounded as above **IN FAVOUR OF** Mohan Infracon Pvt. Ltd vide registration number 7815.

North By: 16 quarters 4 garages of Govt Land and road adjoining to lieutenant Governor House

South By: Court Road

East By: No. 5 Court Road, Govt. premises apartments where previously Delhi Distt and session courts used to exists.

West by: Common Compound wall bungalow no. 9 Court Road property of Sh. Madan Lal Jain and Ors and property of 7A and 7 Rajpur Road Delhi.

3. Sale deed dated 29.11.2006 by Vinman Buildwell Pvt. Ltd owner of 1/20 undivided share of the entire property (15666sq.yds) bearing bungalow no. 7 Court Road New Delhi which comprises of pucca single story bungalow with free hold land admeasuring 15666 sq.yds more or less at site in revenue being khasra no. 468 known as 7 court road civil lines delhi as per plan annexed together with all the super structures standing



For MOHAN INDIA PVT. LTD.

[Signature]
Director

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory



For BRINDA CONSTRUCTION PRIVATE LIMITED

Auth. Signatory/Director

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Suman Buildwell

[Signature]

Director/Auth. Signatory

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thereon and bounded as above **IN FAVOUR OF** Mohan Infracon Pvt. Ltd vide registration number 7816.

North By: 16 quarters 4 garages of Govt Land and road adjoining to lieutenant Governor House

South By: Court Road

East By: No. 5 Court Road, Govt. premises apartments where previously Delhi Distt and session courts used to exists.

West by: Common Compound wall bungalow no. 9 Court Road property of Sh. Madan Lal Jain and Ors and property of 7A and 7 Rajpur Road Delhi.

4. Sale deed dated 29.11.2006 by Varun Estates Pvt. Ltd owner of 1/20 undivided share of the entire property (15666sq.yds) bearing bungalow no. 7 Court Road New Delhi which comprises of pucca single story bungalow with free hold land admeasuring 15666 sq.yds more or less at site in revenue being khasra no. 468 known as 7 court road civil lines delhi as per plan annexed together with all the super structures standing thereon and bounded as above **IN FAVOUR OF** Mohan Infracon Pvt. Ltd vide registration number 7817.

North By: 16 quarters 4 garages of Govt Land and road adjoining to lieutenant Governor House

South By: Court Road

East By: No. 5 Court Road, Govt. premises apartments where previously Delhi Distt and session courts used to exists.

West by: Common Compound wall bungalow no. 9 Court Road property of Sh. Madan Lal Jain and Ors and property of 7A and 7 Rajpur Road Delhi.

5. Sale deed dated 29.11.2006 by Jupiter Infocom Pvt. Ltd owner of 1/20 undivided share of the entire property (15666sq.yds) bearing bungalow no. 7 Court Road New Delhi which comprises of pucca single story bungalow with free hold land admeasuring 15666 sq.yds more or less at site in revenue being khasra no. 468 known as 7 court road civil lines delhi as per plan annexed together with all the super structures standing thereon and bounded as above **IN FAVOUR OF** Mohan Infracon Pvt. Ltd vide registration number 7818.

North By: 16 quarters 4 garages of Govt Land and road adjoining to lieutenant Governor House

South By: Court Road

East By: No. 5 Court Road, Govt. premises apartments where previously Delhi Distt and session courts used to exists.

West by: Common Compound wall bungalow no. 9 Court Road property of Sh. Madan Lal Jain and Ors and property of 7A and 7 Rajpur Road Delhi.

6. Sale deed dated 29.11.2006 by Vinod Mittal owner of 1/40 undivided share of the entire property (15666sq.yds) bearing bungalow no. 7 Court Road New Delhi which comprises of pucca single story bungalow with free hold land admeasuring 15666 sq.yds more or less at site in revenue being khasra no. 468 known as 7 court road civil lines delhi as per plan

For MOHAN INDIA PVT. LTD.

Director

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TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

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For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory

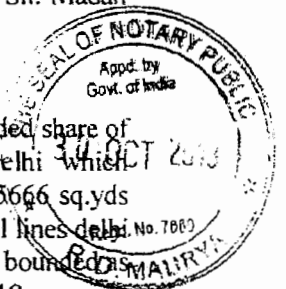
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For BRINDA CONSTRUCTION PVT. LTD.

For Jal Shree Baha Prati...
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Director/Auth. Signatory

annexed together with all the super structures standing thereon and bounded as above **IN FAVOUR OF** Mohan Infracon Pvt. Ltd vide registration number 7819.

North By: 16 quarters 4 garages of Govt Land and road adjoining to lieutenant Governor House

South By: Court Road

East By: No. 5 Court Road, Govt. premises apartments where previously Delhi Distt and session courts used to exists.

West by: Common Compound wall bungalow no. 9 Court Road property of Sh. Madan Lal Jain and Ors and property of 7A and 7 Rajpur Road Delhi.

7. Sale deed dated 29.11.2006 by Number one Exports Pvt. Ltd owner of 1/20 undivided share of the entire property (15666sq.yds) bearing bungalow no. 7 Court Road New Delhi which comprises of pucca single story bungalow with free hold land admeasuring 15666 sq.yds more or less at site in revenue being khasra no. 468 known as 7 court road civil lines delhi as per plan annexed together with all the super structures standing thereon and bounded as above **IN FAVOUR OF** Mohan Infracon Pvt. Ltd vide registration number 7820.

North By: 16 quarters 4 garages of Govt Land and road adjoining to lieutenant Governor House

South By: Court Road

East By: No. 5 Court Road, Govt. premises apartments where previously Delhi Distt and session courts used to exists.

West by: Common Compound wall bungalow no. 9 Court Road property of Sh. Madan Lal Jain and Ors and property of 7A and 7 Rajpur Road Delhi.

8. Sale deed dated 29.11.2006 by D.D Mittal owner of 1/40 undivided share of the entire property (15666sq.yds) bearing bungalow no. 7 Court Road New Delhi which comprises of pucca single story bungalow with free hold land admeasuring 15666 sq.yds more or less at site in revenue being khasra no. 468 known as 7 Court Road Civil Lines Delhi as per plan annexed together with all the super structures standing thereon and bounded as above **IN FAVOUR OF** Mohan Infracon Pvt. Ltd vide registration number 7821.

North By: 16 quarters 4 garages of Govt Land and road adjoining to lieutenant Governor House

South By: Court Road

East By: No. 5 Court Road, Govt. premises apartments where previously Delhi Distt and session courts used to exists.

West by: Common Compound wall bungalow no. 9 Court Road property of Sh. Madan Lal Jain and Ors and property of 7A and 7 Rajpur Road Delhi.

9. Sale deed dated 29.11.2006 by Cosmos Builders and Promoters Ltd owner of 3/5th undivided share of the entire property (15666sq.yds) bearing bungalow no. 7 Court Road

TAVISHI ENTERPRISES PVT. LTD.

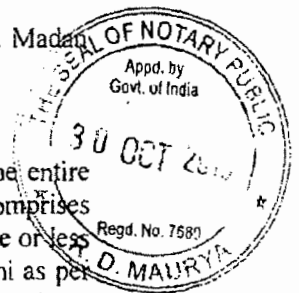
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For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory

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Suman J...
Auth. Signatory/Director



FOR BRUNDA COMMUNITY DEVELOPMENT SOCIETY LIMITED

For Jal Shree Baha Pvt. Ltd.

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Director/ Auth. Signatory

New Delhi which comprises of pucca single story bungalow with free hold land admeasuring 15666 sq.yds more or less at site in revenue being khasra no. 468 known as 7 court road civil lines delhi as per plan annexed together with all the super structures standing thereon and bounded as above **IN FAVOUR OF** Mohan Infracon Pvt. Ltd vide registration number 7872.

North By: 16 quarters 4 garages of Govt Land and road adjoining to lieutenant Governor House

South By: Court Road

East By: No. 5 Court Road, Govt. premises apartments where previously Delhi Distt and session courts used to exists.

West by: Common Compound wall bungalow no. 9 Court Road property of Sh. Madan Lal Jain and Ors and property of 7A and 7 Rajpur Road Delhi.

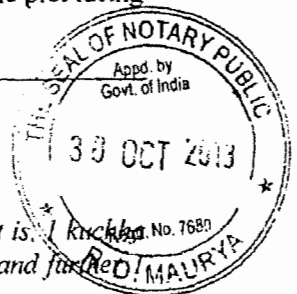
Civil Lines Total Land Share:

1. Sale Deed 1: 1/40 (2.5%)
2. Sale Deed 2: 1/40 (2.5%)
3. Sale Deed 3: 1/20 (5%)
4. Sale Deed 4: 1/20 (5%)
5. Sale Deed 5: 1/20 (5%)
6. Sale Deed 6: 1/40 (2.5%)
7. Sale Deed 7: 1/20 (5%)
8. Sale Deed 8: 1/40 (2.5%)
9. Sale Deed 9: 3/5 (60%)

Total Share 90% of 15,666 sq yards which is located in the front portion of the plot facing Court Road

SCHEDULE OF LAND AT BIKANER, RAJASTHAN

(For clarification, 1 kuchha bigha = 0.60 pucca bigha. That is, 1 kuchha bigha = 1736 sq. yds. and 1 pucca bigha = 3025 sq. yds. and 1 pucca bigha = 0.625 acres)



1. Sale Deed dated 4/4/06 in favour of Smt Rashmi Gupta W/o Mr Jag Mohan Garg, vide registration number 2006003360

Khasra No 63	5 kuchha Bhiga	8 Biswa
Khasra No 64	200 kuchha Bhiga	0 Biswa
Khasra No 65	125 kuchha Bhiga	12 Biswa
Khasra No 73	100 kuchha Bhiga	1 Biswa

Total Pucca 258 Bhiga 12 Biswa (161.37 Acres)

For MOHAN INFRACON PVT. LTD.

Director

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

For MOHAN INFRACON PRIVATE LIMITED

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Suman D. Suman

2. Sale Deed dated 4/4/06 in favour of Jai Shree Baba Projects Pvt Ltd. vide registration number 2006003358

Khasra No 73	3 kuchha Bhiga	13 Biswa
Khasra No 71	15 kuchha Bhiga	7 Biswa
Khasra No 45	11 kuchha Bhiga	11 Biswa
Khasra No 36	60 kuchha Bhiga	15 Biswa
Khasra No 37	81 kuchha Bhiga	8 Biswa
Khasra No. 39	109 kuchha Bhiga	1 Biswa
Khasra No. 40	32 kuchha Bhiga	8 Biswa
Khasra No. 41	152 kuchha Bhiga	02 Biswa

Total Pucca 279 Bhiga 12 Biswa (174.75 Acres)

3. Sale Deed dated 4/4/06 in favour of Suman Gupta, W/o H M Gupta vide registration number 2006003361

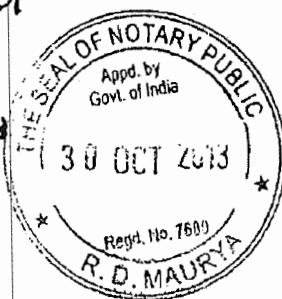
Khasra No 30	28 kuchha Bhiga	7 Biswa
Khasra No 31	60 kuchha Bhiga	4 Biswa
Khasra No 32	31 kuchha Bhiga	17 Biswa
Khasra No 33	78 kuchha Bhiga	8 Biswa
Khasra No 34	203 kuchha Bhiga	17 Biswa
Khasra No 35	35 kuchha Bhiga	0 Biswa

Total Pucca 262 Bhiga 12 Biswa (164.10 Acres)

Total land Sale Deed 1, 2 and 3 = 800 Pucca Bhiga and 16 Biswa (Total 500.5 Acres)

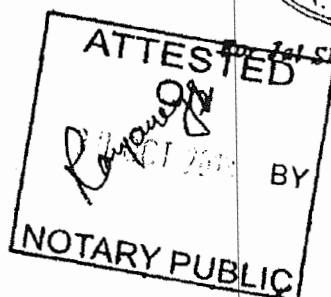
For MOHAN INFRACON PRIVATE LIMITED

Authorized Signatory



For MOHAN INDIA PRIVATE LTD

Director



Director/Authorized Signatory

TAVISHI ENTERPRISES PVT. LTD.

Auth. Signatory/Director

Suman Gupta

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
NATIONAL SPOT EXCHANGE LIMITED HELD ON, FRIDAY OCTOBER 18, 2013 AT FT TOWER,
CTS NO. 256 & 257, SUREN ROAD, CHAKALA, ANDHERI - EAST, MUMBAI - 400 093**

Settlement agreement with Mohan Group

Mohan Group as on October 18, 2013 has settlement obligation of Rs. 922 Crore (Rupees Nine Hundred and Twenty Two Crore) on the NSEL trading platform. Since, NSEL and Mohan Group viz, Mohan India Private Ltd., Tavishi Enterprises Private Ltd. and Brinda Commodities Private Limited were unable to arrive at a settlement; Mohan Group initiated conciliation process and during the conciliation process NSEL and Mohan group agreed to mutually agree on a settlement amount of Rs.771 Crore as full and final settlement subject to approval of Forward Market Commission and or Courts as may be applicable.

The draft settlement agreement was tabled in the Board Meeting. The Board deliberated on the various clauses of the agreement and decided to pass the following resolution:

"RESOLVED THAT the Board hereby, accords its approval to execute a settlement agreement with Mohan Group viz, Mohan India Private Ltd., Tavishi Enterprises Private Ltd. and Brinda Commodities Private Limited for a full & final settlement amount of Rs.771 Crore (Rupees Seven hundred Seventy One Crore) subject to approval of Forward Market Commission ("FMC") and or courts as may be applicable.

RESOLVED FURTHER THAT the Board hereby authorizes Mr. Saji Cherian, MD & CEO of the Company to enter into and sign the settlement agreement as tabled in the Meeting in terms of Section 73 of Arbitration and Conciliation Act, 1996 on behalf of the Company.

RESOLVED FURTHER THAT Mr. Saji Cherian, MD & CEO of the Company be and is hereby authorized to enter into and sign such settlement agreement as per Section 73 of the Arbitration and Conciliation Act, 1996 with any of the Defaulters in the interests of the Company.

RESOLVED FURTHER THAT Mr. Azam Ali, Vice President be and is hereby authorized to sign the power of attorney required to be executed in favour of NSEL for the land being offered by Mohan Group as collateral for settlement of their dues under the settlement agreement as per Section 73 of the Arbitration and Conciliation Act, 1996."

// CERTIFIED TRUE COPY //

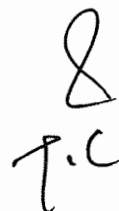
For National Spot Exchange Limited


**Saji Cherian
Director**



Place : Mumbai

Date : October 28, 2013



National Spot Exchange Limited

Regd. Off.: FT Tower, CTS No. 256 & 257, 4th Floor, Suren Road, Chakala, Andheri (East), Mumbai - 400 093.

Tel: +91-22-6761 9900 | Fax: +91-22-6761 9931 | info@nationalspotexchange.com | www.nationalspotexchange.com

MOHAN INFRACON PRIVATE LIMITED

39

True Extract of the Meeting of the Board of Directors held on 12th September 2013 at its registered office at 354, Tarun Enclave, Pitampura, Delhi- 110034

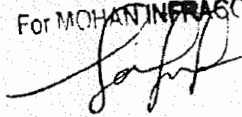
"Resolved Further That, Mr. Jai Shanker Shrivastav, Director of the Company is authorized on behalf of M/s Mohan Infracon Private Limited to enter in a settlement agreement, at such terms and conditions as may be favorable for the Company, with the National Spot Exchange Limited.

RESOLVED FURTHER THAT, Mr. Jai Shanker Shrivastav is authorized to enter into, execute and sign on behalf of the Company on any agreement, and represent the Company before the NSEL and do all other incidental and necessary acts, deeds and things for effectual settlement of the disputes and differences between the Company and National Spot Exchange Limited.

FURTHER RESOLVED THAT, Mr Jagmohan garg, director of the Company be and is hereby authorize to issue certify true copy of this resolution."

For and On behalf of the Company

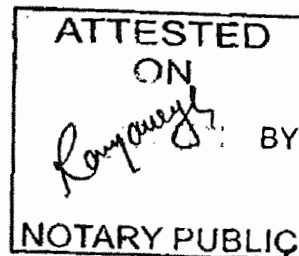
For MOHAN INFRACON PRIVATE LIMITED



Authorized Signatory

Mr. Jag Mohan Garg

[Director]



354, Tarun Enclave, Pitampura, Delhi- 110034



JAISHREE BABA PROJECT PVT. LTD.

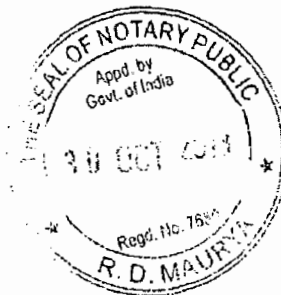
True Extract of the meeting of the Board of Directors of M/S Jaishreebaba Projects Pvt. Ltd., held on 10th October, 2013 at its registered office at 354, Tarun Enclave, Pitampura, Delhi - 110034

"Resolved That, Mr. Jagmohan Garg, is authorized on behalf of the Company M/s. Jaishreebaba Projects Pvt Ltd., to sell dispose and mortgage the property situated at Khasra No. 63(5 Bigha and 08 Biswas), Khasra No. 64(234 Bigha and 19 Biswas), Khasra No. 65(125 Bigha and 12 Biswas), Khasra No. 73(100 Bigha and 01 Biswas), totalling to 279 Bigha and 12 Biswa, Gram Chakgabri, Bikaner, Rajasthan.

"Resolved Further That And do all other incidental and necessary acts, deeds and things for effectual settlement of the disputes and differences between Mohan India Pvt Ltd, Brinda Commodity Pvt Ltd and Tavishi Enterprises Pvt Ltd., collectively known as Mohan Group and National Spot Exchange Limited.

For and On Behalf of the Company

Shri Om
Director/ Auth. Signatory
Shri Om Goel



Regd. Office: 354, Tarun Enclave, Pitampura, Delhi-34

2
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BRINDA COMMODITY PRIVATE LIMITED

True Extract of the Meeting of the Board of Directors held on 12th September 2013 at its registered office at 406 A, D Mall, Netaji Subash Place, Pitampura, New Delhi

"Resolved Further That, Mr. Jagmohan Garg, Director of the Company is authorized on behalf of M/s Brinda Commodity India Private Limited to enter in a settlement agreement, at such terms and conditions as may be favorable for the Company, with the National Spot Exchange Limited

RESOLVED FURTHER THAT, Mr. Jagmohan Garg is authorized to enter into, execute and sign on behalf of the Company on any agreement, and represent the Company before the NSEL and do all other incidental and necessary acts, deeds and things for effectual settlement of the disputes and differences between the Company and National Spot Exchange Limited.

FURTHER RESOLVED THAT, Mr Jai Shankar Srivastava, director of the Company be and is hereby authorize to issue certify true copy of this resolution."

For and On behalf of the Company

JS/

Mr. Jai Shankar Srivastava

[Director]



406 A, D Mall, Netaji Subash Place, Pitampura, New Delhi

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MOHAN INDIA PRIVATE LIMITED

True Extract of the Meeting of the Board of Directors held on 12th September 2013 at its registered office at 1A/101, Rangrasyan Apartment, Sector-13 Rohini, New Delhi

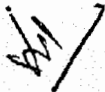
"Resolved Further That, Mr. Jagmohan Garg, Director of the Company is authorized on behalf of M/s Mohan India Private Limited to enter in a settlement agreement, at such terms and conditions as may be favorable for the Company, with the National Spot Exchange Limited

RESOLVED FURTHER THAT, Mr. Jagmohan Garg is authorized to enter into, execute and sign on behalf of the Company on any agreement, and represent the Company before the NSEL and do all other incidental and necessary acts, deeds and things for effectual settlement of the disputes and differences between the Company and National Spot Exchange Limited.

FURTHER RESOLVED THAT, Mr Jai Shankar Srivastava, director of the Company be and is hereby authorize to issue certify true copy of this resolution."

For and On behalf of the Company

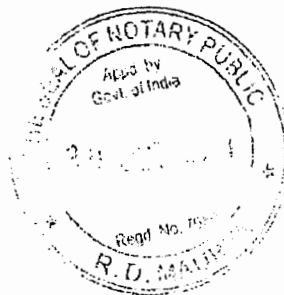
For Mr. Jai Shankar Srivastava



Director

Mr. Jai Shankar Srivastava

[Director]



1A/101, Rangrasyan Apartment, Sector-13 Rohini, New Delhi



TAVISHI ENTERPRISES PRIVATE LIMITED

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True Extract of the Meeting of the Board of Directors held on 12th September 2013 at its registered office at 1A/101, Rangrasyan Apartment, Sector-13 Rohini, New Delhi

"Resolved Further That, Mr. Jagmohan Garg, Director of the Company is authorized on behalf of M/s Tavishi Private Limited to enter in a settlement agreement, at such terms and conditions as may be favorable for the Company, with the National Spot Exchange Limited

RESOLVED FURTHER THAT, Mr. Jagmohan Garg is authorized to enter into, execute and sign on behalf of the Company on any agreement, and represent the Company before the NSEL and do all other incidental and necessary acts, deeds and things for effectual settlement of the disputes and differences between the Company and National Spot Exchange Limited.

FURTHER RESOLVED THAT, Mr Jai Shankar Srivastava, director of the Company be and is hereby authorize to issue certify true copy of this resolution."

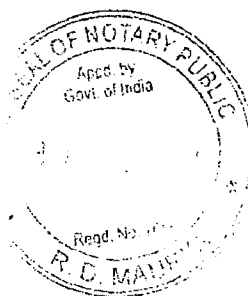
For and On behalf of the Company

TAVISHI ENTERPRISES PVT. LTD.

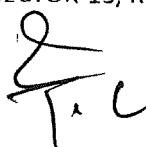


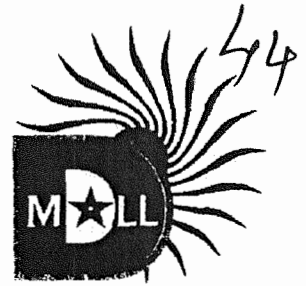
Auth. Signatory/Director
Mr. Jai Shankar Srivastava

[Director]



1A/101, RANGRASYAN APTS, SECTOR-13, ROHINI, NEW DELHI-110085



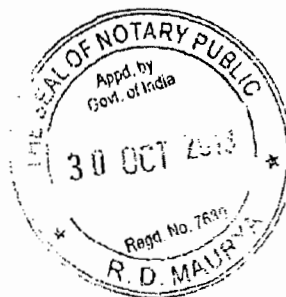


EXTRACT OF THE MINUTES OF MEETING OF BOARD OF DIRECTOR OF M/S.
MERA BABA REALITY ASSOCIATES PVT. LTD., HELD AT REGISTERED OFFICE
OF THE COMPANY AT D-MALL, PLOT No. A-1, NETAJI SUBHASH PLACE,
PITAMPURA, DELHI - 110034 ON 29TH OCTOBER, 2013 AT 11.30 A.M.

RESOLVED that Mr. Jag Mohan, S/o. Sh. Jai Kishan Director of the company is
authorized on behalf of the company to sign all the documents related to Bikaner
Project

(For & On behalf of Board of Directors)


Adarsh Mohan



MERA BABA REALITY ASSOCIATES PVT. LTD.

Registered Office : A-1, Vazirpur District Center, Netaji Subhash Place, Delhi - 110 034

Pitampura : A-1, Vazirpur District Center, Netaji Subhash Place, Delhi - 110 034

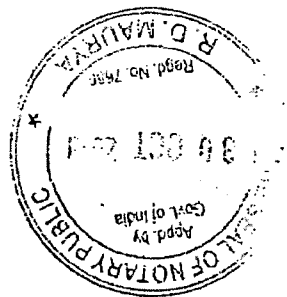
Rohini : 1-B, Twin District Center, Sector - 10, Rohini, Delhi - 110 085

Website : www.dmall.in, Email : mera_baba@rediffmail.com

Contact No : 011-26000000 Fax : 011-43900002


T.C

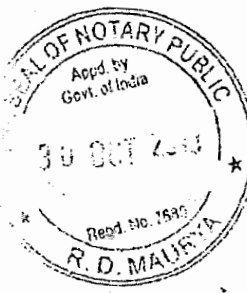
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[Handwritten signature]

[Handwritten initials]

46



भारत निर्वाचन आयोग
भारत-14
ELECTION COMMISSION OF INDIA
IDENTITY CARD
ZFK0045633

चुनौती का नाम : जग मोहन
Electo's Name : Jag Mohan
पिता का नाम : जग मोहन
Father's Name : Jag Mohan
लिंग / Sex : पुरुष / Male
1.1.2008 को उम्र : 41
Age as on 1.1.2008 : 41

Signature

प्राति : ZFK0045633
81, कर्मल नगर गुड , भद्र - 110088
Address: 81, VAISHALI PITAM PUR, JASLI - 110088
SANJEEV KUMAR

1.1.2008 को उम्र : 41
Age as on 1.1.2008 : 41

1.1.2008 को उम्र : 41
Age as on 1.1.2008 : 41

1.1.2008 को उम्र : 41
Age as on 1.1.2008 : 41

1.1.2008 को उम्र : 41
Age as on 1.1.2008 : 41

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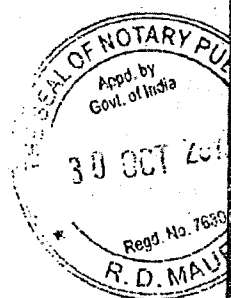
संलग्न चित्र देखी / PERMANENT ACCOUNT NUMBER
ARPS0001J

पिता का नाम / FATHER'S NAME
JANSHANKER SRIVASTAVA

प्राप्त की तारीख / DATE OF BIRTH
15-04-1974

सिद्धांत / SIGNATURE

सिद्धांत / DIRECTOR OF INCOME TAX (SYSTEMS)

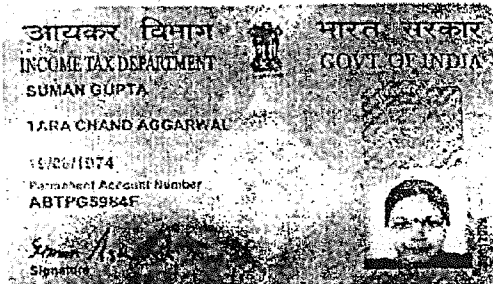


इस कार्ड के खो / मिला जाने पर कृपया ज़रूरी करने
वाले प्राधिकारी को सूचित / वापस कर दें
आयकर आयुक्त,
आयकर भवन,
अशोक मार्ग,
लखनऊ.

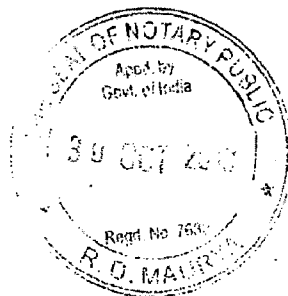
In case this card is lost/ found, kindly inform/return to
the issuing authority :
Commissioner of Income-tax,
Aayakar Bhawan,
Ashok Marg,
Lucknow.

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T.C

48



Suman Aggarwal



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PERMANENT ACCOUNT NUMBER
ABTPG2928D



WTR NAME
RASHMI GUPTA

WTR NO 54 FATHER'S NAME
RATTAN LAL GUPTA

WTR DNR DATE OF BIRTH
04-03-1969

WTR SIGNATURE

Rashmi Gupta

(PRINTED NAME)

WTR SIGNATURE (PRINTED NAME)

CHARACTER OF FATHER (PRINTED NAME)

Rashmi
Rattani



8
TIC

Ref No.....

Dated:



Suman Jassal
LAND OF
SUMAN GUPTA

LAND OF
Jai SHREE BASA
PROSERS
Director, A.I.M. S. H.



2
TIC

land of
Rashmi Gupta
Kashmiri

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

SUIT NO. ⁽¹²⁾ 1097 OF 2014

National Spot Exchange Limited

] ...Plaintiffs

Versus

Mohan India Pvt. Ltd. & Ors.

] ... Defendants

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
SUIT NO. ⁽²⁾ 197 OF 2014

I 55

National Spot Exchange Limited

] ...Plaintiff

Versus

Mohan India Pvt. Ltd. & Ors.

] ... Defendants

Office Notes.	Office Memorandum of Coram appearance.	Court's or Judge's
Court's Orders or direction and Prothonotary's Orders.		Orders

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II

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Office Notes. Office Memorandum of Coram appearance.	Court's or Judge's
Court's Orders or direction and Prothonotary's Orders.	Orders

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T.C

IV

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Office Notes.	Office Memorandum of Coram appearance.	Court's or Judge's
Court's Orders or direction and Prothonotary's Orders.		Orders

2
T.C

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

SUIT NO. ____ OF 2014

National Spot Exchange Limited

] ...Plaintiff

Versus

Mohan India Pvt. Ltd. & Ors.

] ... Defendants

SYNOPSIS

<u>Sr. No.</u>	<u>Date</u>	<u>Event</u>
1.		The Plaintiff is a company incorporated under the Companies Act, 1956 and carries on business as a spot exchange providing for an electronic trading platform for spot contracts in commodities, having commenced live operations since October 2008. The Plaintiff commenced operations pursuant to a Gazette Notification dated 5 June 2007 (hereinafter referred to as "Notification") issued by the Ministry of Consumer Affairs, Food and Public Distribution, Government of India, (hereinafter referred to as "Government") allowing it to conduct trading in forward contracts of one day duration subject to conditions stated in the Notification. The Notification expressly exempted the Plaintiff Exchange from the ambit of the Forward Contract (Regulation) Act, 1953, under Section 27 thereof on the terms and conditions contained therein. The Defendant No. 1 has executed various documents and undertakings as required, from time to time to enable trading on the Plaintiff Exchange. The Plaintiff craves leave to refer and rely upon the said documents, as and when produced.
2.		The Defendant No. 1 is a company incorporated under the Companies Act, 1956 is a Trading cum Clearing Member of the Plaintiff Exchange, and traded in contracts of sugar on the Plaintiff's exchange platform, for itself and on behalf of its clients. The Defendant No. 2 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant No. 1 and acted in concert with, and under the instructions of,

		<p>the Defendant No. 1 and/ or their management and promoters in relation to trading in spot contracts of sugar on the Plaintiff's exchange and Defendant No 2 is a client of Defendant No 1, Defendant No 1 has traded on its behalf and on behalf of Defendant No 2. The Defendant Nos. 1 and 2 are related / associated entities and are largely and substantially controlled by the same management and/or promoters.</p>
3.		<p>The Defendant No. 1 traded in spot contracts of sugar in such a manner that the trading was done in pairs i.e. the Defendant No. 1 sold spot contracts of Sugar on a T+2 basis to a buyer and the Defendant No. 1 at the same time purchased the spot contracts of Sugar on a T+25 basis for itself, and/ or on behalf of its client the Defendant No. 2 herein, from that same buyer. The Defendant No. 3 is a director of the Defendant No. 1 Company and was in charge of the day-to-day affairs of the said Defendant No. 1 at all relevant times when the suit transactions and defaults took place. The Defendant No. 3 is also a director of the Defendant Nos. 16 and 17 companies. The Defendant No. 4 is also a director in Defendant No. 1 Company and was also in charge of the day-to-day affairs of the said Defendant No. 1 at all relevant times when the suit transactions and defaults took place. The Defendant No. 4 is also a director of the Defendant No. 13 Company. The Defendant Nos. 3&4 have additionally by way of a Settlement Agreement personally guaranteed the due payment of the settlement amount in their individual capacity. The Defendant Nos. 5 to 7 are the shareholders of the Defendant No. 1 and have enjoyed the benefits of the suit transactions and defaults committed by the Defendant No. 1, and are therefore liable and responsible to make good the losses caused thereby. The Defendant Nos. 8 to 10 are the directors of the Defendant No. 2 and they have caused the Defendant No. 2 to act in concert with, and under the instructions of, the Defendant No. 1 and/ or their management and promoters to facilitate trading of spot contracts in pairs. The Defendant No. 11 is the statutory auditor of the Defendant No. 1 and the Defendant No. 12 is the statutory auditor of the Defendant No. 2 at the relevant time when the suit transactions / defaults have taken place. The Plaintiff states that the Defendant Nos. 11 and 12 have colluded and facilitated the default committed by the defaulter members being Defendant No. 1 and its client (Defendant No. 2) and thereby enabled them to perpetrate the fraud played by them upon the Plaintiff exchange and the counterparties to the trades undertaken by the 1st Defendant on its own behalf and/or on behalf of its client, the Defendant No. 2 herein. The Plaintiff states that Defendant Nos. 11 and 12 have also acted in connivance with Defendant Nos. 1 to 10, in their wrongdoings. The Plaintiff states that Defendant Nos. 11 and 12 were in charge of the accounts of the Defendant Nos. 1 and 2 and were aware of the transactions entered into by the Defendant Nos. 1 and 2 on the Plaintiff Exchange and were therefore aware of the wrongdoings of the Defendant Nos. 1 and 2. The acts leading to the defaults committed on the Plaintiff</p>

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		<p>Exchange could not have occurred without the knowledge and active participation of these Defendants. The Plaintiff states that Defendant Nos. 11 and 12 being the statutory auditors of the Defendant Nos. 1 and 2 were fully aware as regards the correct and actual stock positions and commodities owned by / controlled by Defendant Nos. 1 and 2. The Defendant Nos. 3 to 12 have utilized the corporate structure and identities of the Defendant Nos. 1 and 2 for their own personal gain and are the real beneficiaries of the defaults that have occurred on the Plaintiff's exchange, and have therefore rendered themselves liable to make good the losses suffered thereby. The Defendant No. 13 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant No. 1 and is controlled by the management/ promoters of the Defendant No. 1, and has its registered office at the same address as that of the Defendant No. 1 and by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. The Defendant No. 14 is the wife of the Defendant No. 3 and by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. The Defendant No. 15 by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. The Defendant No. 16 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant No. 1, 13 and 17 and is controlled by the management/ promoters of the Defendant Nos. 1, 13 and 17, and has its registered office at the same address as that of the Defendant No. 1. The Defendant No. 16 by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. The Defendant No. 17 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant No. 1, 13 and 16 and is controlled by the management/ promoters of the Defendant No. 1, 13 and 16. The Defendant No. 17 by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. Thus, the said Defendants have undertaken and assumed personal obligation to make payment of the Plaintiff's dues claimed herein. The Defendant No. 18 is a Company incorporated under the Companies Act, 1956 and is engaged in the business of real estate / development of properties.</p>
4.		<p>Defendant No. 1 had an outstanding ledger balance as on 15 August 2013 of Rs. 5,750,834,847.33/- (Rupees Five Hundred and Seventy Five Crores Eight Lakhs Thirty Four Thousand Eight Hundred and Forty Seven and Thirty Three Paise Only). The Plaintiff states that thereafter Defendant No. 1 has, from time to time paid certain amounts to the Plaintiff from November 2013 to October 2014 amounting to Rs. 29.70 crores (Rupees Twenty Nine Crores and Seventy Lakhs Only). The Plaintiff therefore</p>

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		states that the current outstanding amount of Defendant No. 1 for which this suit has been filed amounts to Rs. 5,453,834,847.33/- (Rupees Five Hundred and Forty Five Crores Thirty Eight Lakhs Thirty Four Thousand Eight Hundred and Forty Seven and Thirty Three Only). The Plaintiff states that this amount is due and payable since 15 th August 2013, and therefore the present suit is filed to recover an amount aggregating to Rs. 5,453,834,847.33/- (Rupees Five Hundred and Forty Five Crores Thirty Eight Lakhs Thirty Four Thousand Eight Hundred and Forty Seven and Thirty Three Only) along with interest thereon at 18% per annum from the due date of payment i.e. August 15, 2013
5.		That the amount claimed in the present suit amount is admittedly due and payable to the Plaintiff by the 1 st Defendant on account of their pay-in obligations for the trades executed by the 1 st Defendant on its own behalf and/ or on behalf of its client, the Defendant No. 2 on the Plaintiff's spot exchange platform, and which amount once recovered will be utilized to meet the pay-out obligations that arose on account of the 1 st Defendants' trades to various trading or trading-cum-clearing members of the Plaintiff.
6.		In addition to Defendant No. 1, two other sister concerns / group companies of Defendant No. 1 were also Trading Members on the Plaintiff exchange. The Plaintiff states that in an attempt to facilitate settlement and with an intention to recover the amounts due and payable by these entities to the Plaintiff, the Plaintiff agreed to an amount of Rs. 771 crores (out of total of Rs. 922 crores i.e. approx. Rs. 575 crores due and payable by Defendant No. 1 and Rs. 333 crores due and payable by one of the group companies, i.e., M/s Tavishi Enterprises Pvt. Ltd. and Rs. 14 crores being due and payable by the other group company i.e. M/s Brinda Commodities Pvt. Ltd.). The Plaintiff states that the said Settlement Agreement was subject to the approval of the Forward Markets Commission, in the circumstances as elaborated herein below. The Plaintiff states however, that the said Settlement Agreement constitutes an admission of liability on behalf of Defendant No. 1 as well as the other parties in the circumstances as set out therein.
7.		That based on the admission in the Settlement Agreement, and without prejudice to the Plaintiff's case that the Defendant No. 1 is liable to pay an amount as set out herein above, the Plaintiff states that it is entitled forthwith to recover a sum of Rs. 480.83 crores, being the admitted pro-

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		<p>rata share of Defendant No. 1 as per the terms of the Settlement Agreement dated 30th October 2013, from the 1st Defendant as also from the 3rd and 4th Defendants who have personally guaranteed due payment thereof vide the same agreement.</p>
8.		<p>Further that as per the terms of the said Settlement Agreement if the parties thereto /Defendants herein defaulted in paying the amount as mentioned therein, then in addition to paying the agreed amount of Rs. 771 crores, the Defendants (together with Defendant No. 1's sister entities) would also be liable to pay an additional Rs. 139 crores (and Rs. 11 crores already paid by Defendant No. 1 as per the said Settlement Agreement was to be forfeited) to the Plaintiff. Accordingly, the Plaintiff is entitled to claim an additional sum of Rs. 86.69 crores (being a pro-rata share of Rs. 139 crores payable, in addition to Rs. 480.83 crores stated herein above) totalling to an amount of Rs. 771 crores (hereinafter referred to as the "admitted amount") as admitted and stipulated as payable under the terms of the said Settlement Agreement and also consequent to the Defendant No. 1's breaches thereof and defaults thereunder.</p>
9.		<p>The Plaintiff is also entitled to seek enforcement of the obligations undertaken personally by the 13th to 16th Defendants to secure its claim as per the provisions of the Settlement Agreement entered into between the parties. Defendant Nos. 13 to 16 have undertaken and assumed personal obligation and liability to make payment.</p>
10.		<p>That the former Managing Director and Chief Executive Officer of the Plaintiff, Mr. Anjani Sinha, was responsible for the day-to-day management and affairs of the Plaintiff. The said Mr. Anjani Sinha, by misusing his position and misleading the Plaintiff and its Board of Directors and suppressing information from them, colluded and conspired with Defendant No. 1 and their directors/shareholders and clients/ related entities, amongst other trading members of the Plaintiff, and other senior officials of the Plaintiff, for their own personal gains and unjustly enriched themselves at the expense of a large number of counterparties to the trades carried out by the Defendant No. 1 and/ or the Defendant No. 1's client as more particularly set out hereinafter. The other senior officials of the Plaintiff who were involved are the following: Assistant Vice-President (Business Development) Mr. Amit Mukherjee; Assistant Vice-President</p>

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		<p>(Market Operations) Mr. Jai Bhaukhandi; Manager (Business Development) Mr. Manesh Chandra Pandey; and Chief Financial Officer Mr. Shashidhar Kotian. All the above mentioned people were directly reporting to and working under the direct supervision and control of the said Mr. Anjani Sinha, and were suspended from their services in the month of August.</p>
11.		<p>The Defendant No. 1 holds settlement Account No. 912020059176811 with Axis Bank, Pitampur branch, New Delhi for the purpose of facilitating settlement of their obligations in relation to trades carried out on behalf of its client and/ or on its own behalf on the Plaintiff exchange platform. Trading on the Exchange took place on the basis of contracts permitted by the Plaintiff Exchange. By these contracts trading members were permitted to purchase and sell commodities on the Exchange platform in the manner and on the terms as specified in the contracts created. The contracts were indicated by the Exchange by circulars issued from time to time. Each circular would specify a commodity specific contract to enable the trading members to trade in that particular commodity. Pursuant to the above, the Plaintiff permitted Defendant No. 1 to trade on its exchange platform in contracts of various commodities. All the trades conducted on the Plaintiff's Exchange platform were through the aforesaid accounts, and a perusal of the said accounts would categorically demonstrate that the monies were received by Defendant No. 1 towards trades executed by them on the Plaintiff's Exchange platform. As will be demonstrated below, the monies due and payable by Defendant No. 1 to the Plaintiff as claimed herein arise entirely on account of such trades. The Plaintiff states that in order to illustrate the nomenclature used in the aforesaid contracts, "T" means the Trade Day, i.e. the day on which the trade takes place and "+2" or "+25" or any such number means the number of business days on expiry of which the delivery and payment is due to be effected by the Buying Member and the Selling Member, as the case may be. In each case, i.e. for each commodity, contracts of varying duration were created, usually of a shorter duration of "T+2" or "T+3" and a longer duration of "T+25" or "T+36"</p>

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12.		Accordingly, the Plaintiff states that on 3 rd December 2012, two circulars bearing no. NSEL/ TRD/ 2012/ 216 and NSEL/TRD/2012/217 were issued by the Plaintiff introducing contracts for spot trading in Sugar M-30 Grade Trader's Ex- Delhi on T+2 and T+25 basis respectively. The circulars provide detailed contract specifications and the contracts which were / are subject to the Plaintiff's Bye-laws, Rules and Regulations.
13.		Each of the aforesaid contracts traded on the Plaintiff Exchange specified a designated warehouse at which the underlying traded commodities were liable and required to be deposited by the seller/trading member. The Plaintiff states that the commodities sold were required to be deposited at such designated warehouses at the time as specified in the contracts; for instance in a T+2 contract on the 2 nd business day, and in a T+25 contract on the 25 th business day. The selling member was bound to deposit in / deliver to the designated warehouse, the commodity contracted to be sold in physical form by actual deposit of the commodity.
14.		Defendant No. 1 has been trading in spot contracts of Sugar M-30 Grade, Ex-Delhi and had been executing T+2 and T+25 contracts in a paired manner on the Plaintiff Exchange for itself and the Defendant No. 1 has already been trading in those contracts on behalf of its client, i.e. Defendant No. 2. The Plaintiff states that such T+2 and T+25 contracts executed by the Defendant No. 1 on the Plaintiff Exchange are subject to and governed by the Bye-laws, Rules and Regulations of the Exchange.
15.		Defendant No. 1 is one such defaulter Trading Member who has been trading in T+2 contracts and T+25 contracts since 4 th December 2012 in the manner as described hereinabove. The Defendant No. 1 would sell a particular quantity of Sugar under T+2 contract on "T" day to a buying trading member on its own behalf and the Defendant No. 1 would enter into a corresponding T+25 contract on behalf of its client, the Defendant No. 2 on the same day to buy the same quantity of Sugar as sold under the T+2 contract by the Defendant No. 1 from the same purchasing trading member. The Defendant Nos. 1 and 2 chose to trade in these contracts in this concerted manner with a view to sell and repurchase the commodities in a paired manner
16.		On T+25 th day, the Defendant No. 1 (on behalf of its client the Defendant No. 2) was obliged to make pay-in of the amount due and payable for the commodity repurchased by Defendant No. 1 (on behalf of the Defendant

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12.		Accordingly, the Plaintiff states that on 3 rd December 2012, two circulars bearing no. NSEL/ TRD/ 2012/ 216 and NSEL/TRD/2012/217 were issued by the Plaintiff introducing contracts for spot trading in Sugar M-30 Grade Trader's Ex- Delhi on T+2 and T+25 basis respectively. The circulars provide detailed contract specifications and the contracts which were / are subject to the Plaintiff's Bye-laws, Rules and Regulations.
13.		Each of the aforesaid contracts traded on the Plaintiff Exchange specified a designated warehouse at which the underlying traded commodities were liable and required to be deposited by the seller/trading member. The Plaintiff states that the commodities sold were required to be deposited at such designated warehouses at the time as specified in the contracts; for instance in a T+2 contract on the 2 nd business day, and in a T+25 contract on the 25 th business day. The selling member was bound to deposit in / deliver to the designated warehouse, the commodity contracted to be sold in physical form by actual deposit of the commodity.
14.		Defendant No. 1 has been trading in spot contracts of Sugar M-30 Grade, Ex-Delhi and had been executing T+2 and T+25 contracts in a paired manner on the Plaintiff Exchange for itself and the Defendant No. 1 has already been trading in those contracts on behalf of its client, i.e. Defendant No. 2. The Plaintiff states that such T+2 and T+25 contracts executed by the Defendant No. 1 on the Plaintiff Exchange are subject to and governed by the Bye-laws, Rules and Regulations of the Exchange.
15.		Defendant No. 1 is one such defaulter Trading Member who has been trading in T+2 contracts and T+25 contracts since 4 th December 2012 in the manner as described hereinabove. The Defendant No. 1 would sell a particular quantity of Sugar under T+2 contract on "T" day to a buying trading member on its own behalf and the Defendant No. 1 would enter into a corresponding T+25 contract on behalf of its client, the Defendant No. 2 on the same day to buy the same quantity of Sugar as sold under the T+2 contract by the Defendant No. 1 from the same purchasing trading member. The Defendant Nos. 1 and 2 chose to trade in these contracts in this concerted manner with a view to sell and repurchase the commodities in a paired manner
16.		On T+25 th day, the Defendant No. 1 (on behalf of its client the Defendant No. 2) was obliged to make pay-in of the amount due and payable for the commodity repurchased by Defendant No. 1 (on behalf of the Defendant

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		No. 2) under T+25 and take delivery of the commodity as repurchased, which was nothing but a return of the commodities that were to be deposited by the Defendant No. 1 at the time of settlement of the corresponding T+2 contract
17.		In order to facilitate delivery under these contracts, the Plaintiff Exchange was to be put in constructive possession of the commodities traded by the Defendant No. 1 on the Exchange during the interregnum period, i.e. the period between culmination of the two contracts, T+2 and T+25. To give effect to such arrangement, an Agreement dated 5 June 2013 <i>[in respect of the following warehouses at Khasra Nos. 106/319, 106/251, 106/255, 106/99, 106/102 & 103, Kherakalan, Delhi and Khasra No. 398/2, Village Hameedpur, Delhi 110 036]</i> was executed between the Plaintiff and Defendant No. 1 by which the Plaintiff Exchange was supposed to acquire constructive possession of the warehouse/property (as described in the said Agreement), which was being utilized by the Defendant Nos. 1 to store the various commodities traded by them on the Plaintiff Exchange on their own behalf. It is pertinent to note that the said Agreement dated 5 th June 2013 was executed for the limited purpose of facilitating constructive possession of the warehouses / properties with the Plaintiff Exchange and, in fact, the actual and physical control of the said warehouses/properties remained with the Defendant No. 1 at all times. The Defendant No. 1's liability to deliver the physical commodities under the T+2 contracts was, and remained, absolute in accordance with the Bye-laws and Rules of the Plaintiff Exchange and the Defendant No. 1 was not entitled to deal with the commodities in any manner whatsoever during the interregnum period i.e. the period between culmination of the two contracts T+2 and T+25
18.		The Plaintiff states that the Clearing Bank Accounts of the Defendant No. 1 was opened in Axis Bank, New Delhi. The Defendant No. 1 deposited Initial Margin time to time which was credited to its account. As on 31 st July 2013, the Defendant No. 1 had a credit balance of Rs. 114,57,01,073/- (Rupees One Hundred Fourteen Crores Fifty Seven Lakhs One Thousand and Seventy Three Only) in its Initial Margin Account. The initial ledger extracts contained in Exhibit I pertain to the Initial Margin which reflects the bank pay-in / pay-out received from / paid to Member towards Margin Requirements.
19.		The Plaintiff further states that Defendant No. 1 issued commodity offer letters and VAT Invoices to the buyers in relation to the commodities sold by them on the Plaintiff Exchange under the T+2 contracts, clearly indicating that Defendant No. 1 had purchased commodities under the T+25

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		contracts and was obliged to deliver the commodities sold under the T+2 contracts to the designated warehouse of the Plaintiff Exchange.
20.		<p>Defendant Nos. 1 and 2 commenced trading in T+2 and T+25 contracts on the Plaintiff Exchange in Sugar M-30 Grade Trader's Ex-Delhi. On 4th December 2012, Defendant No. 1 on its own behalf sold Sugar M-30 Grade contract SM30DEL2 100 lots at the rate ranging from Rs. 3,425 to Rs. 3,478 per quintal (i.e. per unit) under T+2 contract with settlement due date of 6th December 2012, aggregating to Rs. 3,42,50,000/- (Rupees Three Crores Forty Two Lakhs and Fifty Thousand only). At end of day on 4th December 2012, the Trade file was sent to Defendant No. 1 on File Transfer Protocol. On 6th December 2012 ("T+2"), the Plaintiff credited the ledger account (Member Delivery Obligation) of Defendant No. 1 by Rs. 3,42,50,000/- (Rupees Three Crores Forty Two Lakhs and Fifty Thousand only) being the pay-out amount of Rs. 3,42,50,000/- (Rupees Three Crores Forty Two Lakhs and Fifty Thousand only) to be paid by Plaintiff to Defendant No. 1 towards the quantity sold by Defendant No. 1 on 4th December 2012, upon receipt of such amount from the Buying Member. Subsequently, on the same date, the Plaintiff made payment of the Pay-Out Amount of Rs. 3,42,50,000/- (Rupees Three Crores Forty Two Lakhs and Fifty Thousand only) in the Clearing Bank Account of Defendant No. 1 and upon such payment, the Plaintiff debited the Ledger Account (Member Delivery Obligation) of Defendant No. 1. On the same day when the Defendant No. 1 sold Sugar M-30 Grade under the aforesaid T+2 contract i.e. on 4th December 2012, the Defendant No. 1 on behalf of the Defendant No. 2 entered into a corresponding T+25 contract whereby Defendant No. 1 purchased 100 quantity of Sugar M-30 Grade under contract SM30DEL25 at the rate of Rs. 3,478 per quintal (i.e. per unit) under T+25 contract, aggregating to Rs. 3,47,81,000/- (Rupees Three Crores Forty Seven Lakhs Eighty One Thousand Only). On 4th December 2012, Single Trade file was sent to Defendant No. 1 on File Transfer Protocol, contain T+2 and T+25 trades. However, since this contract was T+25, the pay-in obligation of Defendant No. 1 for Rs. 3,47,81,000/- (Rupees Three Crores Forty Seven Lakhs Eighty One Thousand Only) was due on 9th January 2013. Therefore, on 8th January 2013 (T+24), the Obligation report was generated by the</p>

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Plaintiff Exchange and sent to Defendant No. 1, thereby setting out the Pay-In Obligation of Defendant No. 1 for the total quantity, total value and charges if any aggregating to Rs. 3,49,91,782.87(Rupees Three CroresForty Nine Lakhs Ninety One Thousand Seven Hundred and Eighty Two and Eighty Seven PaiseOnly). On 9th January 2013, the Plaintiff debited the ledger account (Member Delivery Obligation) of Defendant No. 1 by Rs. 3,49,91,782.87(Rupees Three CroresForty Nine Lakhs Ninety One Thousand Seven Hundred and Eighty Two and Eighty Seven Paise Only) being the pay-in amount of total of Rs. 3,47,81,000.00(Rupees Three Crores Forty Seven Lakhs Eighty One Thousand Only) to be paid by Defendant No. 1 towards the quantity purchased and Rs. 2,10,782.87(Rupees Two Lakhs Ten Thousand Seven Hundred Eighty Two and Eighty Seven Paise Only) towards "WR RECPT TRANSFER CHARGES". Subsequently, on the same date, the Plaintiff received sum of Rs. 3,49,91,782.87(Rupees Three Crore Forty Nine Lakhs Ninety One Thousand Seven Hundred and Eighty Two and Eighty Seven PaiseOnly) from Defendant No. 1 and credited the Ledger Account (Member Delivery Obligation) of Defendant No. 1 by Rs. 20,84,40,000(Rupees Twenty Crores Eighty Four Lakhs Forty Thousand only). From the aforesaid, it is clear that from 4th December 2012 i.e. from the date when Defendant No. 1 started trading T+2 and T+25 contracts on the Plaintiff Exchange until 8th January 2013 in a paired manner, the ledger account of Defendant No. 1 reflects only the pay-out obligations i.e. amounts payable to Defendant No. 1 under T+2 contracts. There is no pay-in obligation of Defendant No. 1 (i.e. the amounts payable by Defendant No. 1 to the Plaintiff Exchange under T+25 contracts) reflected in the ledger account during the period from 4th December 2012 until 8th January 2013, as no T+25 contract matured during this period, although both T+2 and T+25 contracts were executed since 4th December 2012. It is submitted that admittedly Defendant No. 1 received the monies under T+2 contracts and was bound to effect delivery of the entire quantity of goods under T+2 contracts in the warehouse. This was mandatory irrespective of the fact whether T+25 contracts were executed or not. Defendant No. 1 was obliged to make pay-in of the amount due and payable by Defendant No. 1 on the due date of

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		<p>each T+25 contract by 9 a.m. until final cut-off time of 1 p.m. Any shortage received was kept outstanding in the Defendant No. 1's account. During the day, when Pay-Out would be required to be made to Defendant No. 1, such amount would be first adjusted against the debit lying in Defendant No. 1's account, if any. After such adjustment, the difference, if any would be paid to Defendant No. 1.</p>
21.		<p>The ledger account balances of the Defendant No. 1 at the end of each trade day would be either "Credit" / "Debit" or "0" and the same would be arrived at after reconciliation of the following:</p> <ul style="list-style-type: none"> (i) The amount of credit / debit balance, if any at the end of the previous day; (ii) The payment made by Defendant No. 1 towards its Pay-In Obligation; and (iii) The amount of Pay-Out received by Defendant No. 1 in accordance with Pay-Out Obligation of the Plaintiff.
22.		<p>In this regard, it is pertinent to note that the bank pay-in and bank pay-out entries in the ledger account of Defendant No. 1 are consistent with the statement of Clearing Bank Account of Defendant No. 1. In this regard it is submitted that as an Exchange platform and as provided in the Rules and Byelaws, the Plaintiff deals only with its Members. The Members may be trading on their own account or on behalf of clients, but the trading and Settlement obligation is that of the Members i.e. the Defendant No. 1 in the present case. Hence, the Plaintiff requires each member to open a Settlement Bank Account. When a Member is supposed to make a pay in of funds, he is supposed to collect the funds from his clients who traded through the Member and deposit it in the Settlement Bank account. Similarly when a payout is made for a sale of commodity, the Member is supposed to pay the clients from out of the funds received from the Plaintiff Exchange in the Settlement Bank account.</p>
23.		<p>The Defendant Nos. 1 and 2 continued to execute T+2 and T+25 contracts in the aforementioned paired manner and the ledger balances of the Defendant No. 1 were reconciled on day-to-day basis and all the Obligation</p>

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		<p>Reports were sent to the Defendant No. 1 which indicate the debit and credit entries. It is extremely pertinent to note that Defendant No. 1 never disputed the ledger accounts or any of the Obligation Reports sent by Plaintiff and the ledger balance reconciled by Plaintiff on daily basis.</p> <p>In April, 2012, the Exchange received a Show Cause Notice from the Ministry of Consumer Affairs (Ministry) Government of India (i.e. the Government) alleging violation of conditions of the Notification dated 05 June, 2007. The Plaintiff Exchange vide detailed letter dated 23 May, 2012 and follow-up letters dated 11 August 2012, 08 July, 2013 and 12 July, 2013 replied to the Show Cause Notice. The Plaintiff craves leave to refer to any rely upon the Notification dated 05th June, 2007, the correspondence exchanged between the Ministry and the Plaintiff and the Undertaking issued by the Exchange, when produced.</p>
24.		<p>On 12th July, 2013, the Government addressed a letter directing the Plaintiff to furnish undertaking to the effect that:</p> <p>(i) No further/ fresh contracts shall be launched till further instructions from concerned authority;</p> <p>(ii) All the existing contracts will be settled on the due dates.</p>
25.		<p>Circular dated 31st July, 2013, all open positions of Members were to be merged by 14th August, 2013. To ensure that, the activity of merging, reconciliation and dissemination of open positions are done timely; the positions were merged by the Plaintiff on 9th August, 2013 and the total outstanding amount towards the Pay-In Obligation of Defendant No. 1 was accordingly debited in the ledger account of Defendant No. 1 respectively on 9th August, 2013. In this regard, it is clarified that the Pay-In Obligation of Defendant No. 1 in relation to all T+25 contracts traded until 4th July, 2013 were reflected on their respective due dates and the Pay-In Obligation of all contracts traded from 05th July, 2013 onwards was merged and reflected on 09th August, 2013.</p>

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26.		<p>On 03rd August, 2013, the Plaintiff issued Circular No. NSEL/TRD/2013/067, thereby stating that the pay-in received from all members on 29th July and 30th July, 2013 was refunded and all trades executed on 30th and 31st July, 2013 were reversed to avoid any further settlement obligations. This obligation was pertaining to trades executed on 29th July, 2013.</p>
27.		<p>On 08th August, 2013, the Plaintiff had decided to settle open trades for which its Members had defaulted to Pay-In. The Pay-Out for such trades was done to Seller Member's Account from Settlement Guarantee Fund / Exchange Fund maintained by the Plaintiff as pay-in obligation had not been performed by the defaulting members. However, as the trading system does not allow the Plaintiff to settle any position when there is a shortage in Buyer Member's Account, it was necessary to give temporary credit (pro forma) in the defaulter member's account, which was done in Defendant No. 1's account, and same was reversed post the activity. Such entry is reflected in the ledger account of Defendant No. 1 on 8th August, 2013. It is therefore pertinent to note that the credit entry on 8th August, 2013 is only a proforma entry and such amount was not actually paid by Defendant No. 1.</p>
28.		<p>It is further pertinent to note that there are many contra entries in the Ledger Account of Defendant No. 1 exactly for the same amounts. These are for various reasons and reflected across the board in all Member Accounts due to re-generation of obligations. In any case, these entries have no effect on the actual position since these are contra entries. As seen from the ledgers of Defendant No. 1 annexed hereto, the total sum of Rs. 5,750,834,847.33/- (Rupees Five Hundred and Seventy Five Crores Eight Lakhs Thirty Four Thousand Eight Hundred and Forty Seven and Thirty Three Paise Only) is due and outstanding by the Defendant Nos. 1 on and from 9th August 2013. The said sum is arrived at after considering credit balance of Rs. 1,147,171,356.00/- towards the Initial Margin as on 31/07/2013 and debit balance of Rs. 1,470,282.30/- being the debit balance of Member Daily Obligation Account as on 02/08/2013. The Plaintiff states that the principal amount mentioned in the ledger as amount due and payable as on 9th August 2013 has now stood further reduced to Rs.</p>

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		<p>5,453,834,847.33/- , (Rupees Five Forty Five Crores Thirty Eight Lakh Thirty Four Thousand Eight Hundred Forty Seven and Thirty Three Paise Only) as noted hereinabove. The Plaintiff further states that this principal amount together with the interest at the rate of 18% per annum from 15th August 2013 (the date on which the amount became due and payable) is Rs. 6,908,200,000.00/- (Rupees Six Hundred and Ninety Crores and Eighty Two Lakhs Only)</p>
29.		<p>In August 2013, post suspension of trading on the exchange platform, the Plaintiff appointed an independent agency namely, SGS India Pvt. Ltd. ("SGS"), to survey the stocks at various warehouses including the said warehouse/property which was in control of Defendant No. 1, with the object of verifying the quantity of goods deposited by each member. On 6th and 7th September, 2013, the SGS team visited the premises situated at <i>Khasra Nos. 106/319, 106/251, 106/255, 106/99, 106/102 & 103, Kherakalan, Delhi and Khasra No. 398/2, Village Hameedpur, Delhi 110 036</i> respectively to conduct an audit, however, they were prevented by the Defendant No. 1 and its management from entering its warehouses and conducting the audit. The Plaintiff verily believes that the Defendant Nos. 1 to 12 have used/dispensed and will continue to use/dispense the various commodities at the said warehouse, for their own personal gains, contrary to its obligations under the contracts, and adverse to the legal rights of the Plaintiff. It is important to mention here that Defendant Nos. 1 and 2 are obliged to satisfy the Plaintiff that they are in possession of the physical commodities and they are obliged to deliver as per the obligations undertaken in the sale contracts executed by them.</p>
30.		<p>The Plaintiff states that the Exchange tried to amicably resolve the disputes between the various trading members and the buyers on the Exchange. The Plaintiff states that a meeting was convened in the presence of a representative of the Government (through the Forward Market Commission) and an Agreement was arrived at under which Defendant No. 1 agreed to make payment of the then outstanding amount of approximately Rs. 625 crores (which was subject to reconciliation) in 20 weekly instalments. The Defendant No. 1 issued letter dated 1st August 2013 whereby they expressly acknowledged their unconditional and</p>

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		absolute liability towards the Plaintiff and promised to make payment.
31.		<p>Since it became apparent to the Plaintiff that the Defendant No. 1 had no intention of honouring their obligations towards the Plaintiff Exchange and thereby to the various buyers, on 28th August 2013, the Plaintiff issued a default notice to Defendant No. 1 calling upon them to make payment of the admitted outstanding amount. Pursuant to the execution of the Settlement Agreement, the Defendant No. 1 committed a default in payment of the very first monthly tranche of Rs. 59 crores and failed to pay the same, or any part thereof, before the due date of 2nd December 2013 and has, in fact, failed to pay the same till date inasmuch as it has only paid a sum of about Rs. 29.70 crores over a period of 12 months after the passing of the original due date. The Defendant No. 1 have also failed to pay the other monthly tranches as agreed. Accordingly, in terms of the Settlement Agreement, a material breach has taken place and the Plaintiff has stood entitled to forfeit the first payment and recover damages of Rs. 86.69 crores from the Defendant No. 1 (being the pro-rata amount due and payable by Defendant No. 1 out of Rs 139 crores being the amount towards damages as agreed under Settlement Agreement less any payments received thereafter till date. The same is subject to approval of the FMC, in view of certain orders passed in Writ Petition No. 289 of 2014, by this Hon'ble Court. Accordingly, on 7 November 2013 a letter was addressed by NSEL to FMC enclosing a copy of Settlement Agreement entered into between NSEL and Mohan India Group. Subsequently, on 28 November 2013 the FMC addressed a letter to NSEL, raising certain queries regarding the Settlement Agreement, which were answered by NSEL vide its letter dated 10 January 2014. Thereafter, on 11 April 2014 the FMC addressed a letter to NSEL, refusing to grant its approval to the Settlement Agreement.</p>
32.		<p>The Defendant No. 1 have acted upon the Settlement Agreement, received benefits thereunder and have caused the Plaintiff to also act thereupon. In fact, the Defendant No. 1 relied upon the Settlement Agreement and filed Miscellaneous Application Nos. 98 of 2013, 107 of 2013 and 33 of 2014 and have sought various reliefs from the Hon'ble Special MPID Court at Mumbai on the basis thereof, and have been granted various reliefs by that Hon'ble Court., mainly a relief being that no coercive action should be</p>

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		<p>taken against the directors of Defendant No 1. The Settlement Agreement is therefore binding on the Defendant No. 1 as also their directors and shareholders, and they are therefore estopped from disputing the same. The Plaintiff craves leave to refer to and rely upon the papers and proceedings of the said Applications, as and when produced.</p>
33.		<p>The Plaintiff states that Defendant Nos. 3 to 10 have clearly benefited from the defaults that have occurred on the exchange platform. The Plaintiff states that the Defendant Nos. 3 to 10 as shareholders and directors of Defendant Nos. 1 and 2 have benefited from the monies deposited in the Bank Accounts of Defendant Nos. 1 and 2. Without prejudice to the above, the Plaintiff states that the Defendant Nos. 1 and 2 are in fact simply vehicles to perpetuate the illegalities which were conceived by Defendant Nos. 3 to 10 and which illegalities were for the sole benefit of Defendant Nos. 3 to 10.</p>
34.		<p>The Plaintiff states that it is also pertinent to note that pursuant to the investigation carried out by the EOW, Defendant No. 18 has admitted before the EOW that Defendant No. 1 has indirectly invested an amount of Rs. 10 Crore in the project developed by Defendant No. 18 in Karnal and has also admitted that the said amount is belonging to the investors and the said amount is received from the trading done by the Defendant No. 1 on the Plaintiff Exchange. The Plaintiff states that vide an agreement dated 10th December 2013 ('Primezone Agreement') entered into between the Plaintiff and the Defendant No. 18 whereby the Defendant No. 18 has admitted that Defendant No. 1 along with various other Defaulting Members has indirectly invested an amount totaling to Rs. 42.77 Crores in the project developed by Defendant No. 18. The said agreement further recorded that the amount of Rs. 42.77 Crores would be deposited in the escrow account of the Plaintiff for distributing the same to the investors through due process of law</p>
35.		<p>Pursuant thereto, Defendant No. 18 through its Director Mr Ranjeev Agrawal has agreed to pay the aforesaid amounts to the Plaintiffs in eight instalments more particularly stated in Clause 2 of the said Primezone</p>

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Agreement dated 10th December 2013. As per the said payment schedule under Clause 2 of the Primezone Agreement, the Defendant No. 18 was required to pay the entire amount of Rs42.77 crores by 15th June 2014. However, the Defendant No.18 has made a payment of only Rs. 1.9 crores (Rupees One Crore and Nine Lakhs Only) against Rs. 42.77 crores (Rupees forty two Crores seventy seven lakhs only) which Defendant No.18 was required to pay till 15th June 2014, thereby not adhering to the agreed payment schedule and committing breach of said Agreement. In view thereof, the Plaintiff is entitled to call upon the Defendant No. 18 to forthwith pay the amount of Rs.40.87 crores (Rupees forty crores eighty seven lakhs Only). Given the background and the facts mentioned hereinabove and more particularly the fact that the Defendant No.18 despite admitting to make payments had committed breach of the Primezone Agreement by not making payment within agreed timelines, the Plaintiff apprehends that Defendant No. 18 is likely to indulge in such acts with the sole intent to defeat the claim of the Plaintiff against Defendant No.18. In light of the same it is imperative, that the Defendant No. 18 be directed to pay to the Plaintiff a sum of Rs.40.87 crores (Rupees forty crores eighty seven lakhs Only), along with interest thereon at 18% per annum from the due date of payment until payment and/ or realization thereof and pending hearing and disposal of the suit the Defendant No.18 be directed to (1) disclose to this Hon'ble Court, the details of the assets of Defendant No. 1; (2) restrain the Defendant No. 18 from dealing with, selling, transferring, alienating creating third party rights, in respect of and/or encumbering their assets which may be disclosed as in possession and/or control of Defendant No. 18; and (3) restrain the Defendant No. 18 from altering / changing / permitting any transfer/encumbrance in respect of its shares/capital structure. The Plaintiff submits that this is of utmost importance as the funds deposited with Defendant No. 18 were on account of the trading done on the Plaintiff Exchange. The Plaintiff states that Defendant Nos. 1 and 2's conduct is blatantly dishonest and is committed with an intention to defraud the Plaintiff and various buyers *inter alia* by disposing of the various commodities which formed the basis for the said Outstanding Trades to defeat / delay the Plaintiff's Claim. The Plaintiff

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		<p>states that the aforesaid conduct on the part of Defendant Nos. 1 and 2 is with a view to defeat the claim of the Plaintiff which is required to be honoured and complied with for the purpose of discharging the liabilities owed to the investors who have undertaken trades on the Exchange. The Plaintiff states that there is a serious apprehension of Defendant Nos. 1 and 2 disposing of other assets in a similarly surreptitious manner as has been done with regard to the said commodities which were traded on the exchange and which commodities Defendant No. 1 was holding on behalf of the Plaintiff Exchange. The Plaintiff therefore submits that this is an imminently fit case to secure the claim of the Plaintiff by attachment of all the assets of Defendant Nos. 1 and 2 since the liabilities of these Defendant No. 1 and related entities, run into almost Rs. 900 crores and the acts of Defendant No. 1 are consistent with an intention to defeat and defraud the claim of the Plaintiff which is manifestly evident by their act of restricting inspection of the exchange designated warehouses wherein the said commodities which were traded on the Exchange platform are contained</p>
36.		<p>The Plaintiff submits that there is grave urgency in the matter in as much as not only is the Defendant obstructing and preventing the Plaintiff from taking inspection and possession of the commodities in the said warehouse/property, but the Plaintiff verily believes that the Defendants are in the process of disposition of the various commodities located therein. Further, the Plaintiff verily believes that the Defendant Nos. 1 and 2, with a view to defeat the legitimate rights and claim of the Plaintiff Exchange as well as the various counterparties trading clients who have traded with the Defendants in the Outstanding Trades, will dispose of their various businesses/assets and their movable and immovable properties so as to take the same out of the reach of the Plaintiff Exchange. The Plaintiff submits that once these various businesses/assets are dissipated / siphoned off irretrievable injury will be caused both to the Plaintiff Exchange as well as to the various counterparty investors / trading clients</p>
		<p>Hence, the present Suit.</p>

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POINTS TO BE URGED:

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1. That Defendant Nos. 1 & 2 have orchestrated and played a fraud on the Plaintiff and the counterparties to the Outstanding Trades.
2. That the Defendant Nos. 3 to 10 have utilized the corporate structure and identities of Defendant Nos. 1 & 2 for their own personal gain and are the real beneficiaries of the defaults that have occurred on the exchange platform.
3. That Defendant Nos. 11 & 12 aware of the transactions entered into by Defendant Nos. 1 & 2 on the Plaintiff Exchange, and, was therefore aware of the wrongdoings of Defendant Nos. 1 & 2.
4. That Defendant Nos. 13 to 17 have, under the Settlement Agreement entered into between the Plaintiff and the Defendants, agreed and undertaken to furnish security to secure the Plaintiff's claim
5. that the Defendant Nos. 1 to 17 are jointly and/ or severally liable to pay to the Plaintiff outstanding dues to the Plaintiff as more particularly prayed for in the Plaint.

ACTS AND AUTHORITIES:

1. Code of Civil Procedure, 1908;
2. Forward Contract (Regulation) Act, 1953;
3. Any other acts

Naik Naik & Company

SD/-

Advocates for the Plaintiffs

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

SUIT NO. OF 2014

NATIONAL SPOT EXCHANGE LIMITED, a public limited]
company incorporated under the provisions of the Companies]
Act, 1956 and having its registered office at FT Towers, CTS No.]
256 & 257, 4th Floor, Suren Road, Chakala, Andheri (East),]
Mumbai - 400 093.] ...PLAINTIFF

VERSUS

1. MOHAN INDIA PVT. LTD., a company incorporated under]
the provisions of the Companies Act, 1956, and having its]
registered office at No. 354, Tarun Enclave, Pitampura, New]
Delhi 110 034.]
2. MANGALA SHREE PROPERTIES PVT. LTD., a]
company incorporated under the provisions of the Companies]
Act, 1956, and having its office at 1997, Railway Road,]
Narela, New Delhi 110 040.]
3. MR. JAG MOHAN GARG, a director of Mohan India Pvt.]
Ltd. Jaishree Baba Projects Pvt. Ltd. and Mera Baba Realty]
Associates Pvt. Ltd., residing at KU-73, Pitampura, New]
Delhi 110 034.]
4. MR. JAI SHANKER SRIVASTAVA, a director of Mohan]
India Pvt. Ltd. and also of Mohan Infracon Pvt. Ltd., having]
address at G-401, Utsav Enclave, Halwasia Appartments,]
Opp. Hal, Lucknow, 226 006, Uttar Pradesh.]


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5. **MR. OM GOEL**, a shareholder of Mohan India Pvt. Ltd.,]
residing at 28B, Block BK-1, Shalimar Bagh, Delhi, 110 052.]
6. **MR. ANKUR GUPTA**, a shareholder of Mohan India Pvt.]
Ltd., residing at 354, Tarun Enclave, Pitampura, New Delhi,]
110 034.]
7. **M/S. RANBIR SINGH H.U.F.**, a shareholder of Mohan India]
Pvt. Ltd., residing at 90 B, Tarun Enclave, Peeragarhi Chowk,]
New Delhi 110 087.]
8. **MR. MAHESH KUMAR MANGLA**, a director of Mangala]
Shree Properties Pvt. Ltd., having his office at 1997, Railway]
Road, Narela, New Delhi 110 040.]
9. **SANTOSH MANGLA**, a director of Mangala Shree]
Properties Pvt. Ltd., having office at 1997, Railway Road,]
Narela, New Delhi 110 040.]
10. **MR. RAJENDRA PRASHAD MANGLA**, a director of]
Mangala Shree Properties Pvt. Ltd., residing at 226, Canara]
Apartments, Rohini, Sector 13, New Delhi 110 085.]
11. **M/S. M. K. SINGLA & ASSOCIATES**, auditors of Mohan]
India Pvt. Ltd. having their office at C-33/306-307, Aggarwal]
Modern Bazar, Lawrence Road, New Delhi - 110 035.]
12. **M/S. ASHU GUPTA & ASSOCIATES**, auditors of]
Mangla Shree Properties Pvt. Ltd, having their office at 7,]
Local Shopping Centre, Dayanand Vihar, New Delhi - 110]
092.]
13. **MOHAN INFRACON PVT. LTD.**, a company incorporated]
under the provisions of the Companies Act, 1956, and having]
its registered office at No. 354, Tarun Enclave, Pitampura,]
New Delhi 110 034.]

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14. MRS. RASHMI GUPTA, wife of Mr. Jag Mohan Garg,]
residing at 81, Vaishali, Pitampura, Shalimar Bagh, North]
West Delhi, New Delhi 110 088.]
15. MRS. SUMAN GUPTA, wife of Mr. Hari Mohan Gupta,]
residing at 1A/101, Rangrasyan Apartments, Sector 13,]
Rohini, New Delhi 110 085.]
16. JAISHREE BABA PROJECTS PVT. LTD., a company]
incorporated under the provisions of the Companies Act,]
1956, and having its registered office at No. 354, Tarun]
Enclave, Pitampura, New Delhi 110 034.]
17. MERA BABA REALTY ASSOCIATES PVT. LTD., a]
company incorporated under the provisions of the Companies]
Act, 1956, and having its registered office at D-Mall, A-1,]
Netaji Subhash Place, Pitampura, New Delhi 110 034.]
18. PRIMEZONE DEVELOPERS PVT. LTD.]
Having their office address at 109-110,]
Main Market, Sector - 8, Urban Estate, Karnal, Haryana -]
132001]

...DEFENDANTS

THE PLAINTIFF ABOVENAMED STATES AS FOLLOWS:

1. The Plaintiff is a company incorporated under the Companies Act, 1956 and carries on business as a spot exchange, which provides an electronic trading platform for spot contracts in commodities on a compulsory delivery basis, and commenced live operations since October 2008, from its office situated at the address mentioned in the cause title above.
2. The Defendant No. 1 is a company incorporated under the Companies Act, 1956 is a Trading cum Clearing Member of the Plaintiff Exchange, and traded in contracts of sugar on the Plaintiff's exchange platform, for itself and on behalf of its clients. The Defendant No. 2 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant No. 1 and acted in concert with, and under the

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instructions of, the Defendant No. 1 and/ or their management and promoters in relation to trading in spot contracts of sugar on the Plaintiff's exchange and Defendant No 2 is a client of Defendant No 1; Defendant No 1 has traded on its behalf and on behalf of Defendant No 2. The Defendant Nos. 1 and 2 are related / associated entities and are largely and substantially controlled by the same management and/or promoters. The Defendant No. 1 traded in spot contracts of sugar in such a manner that the trading was done in pairs i.e. the Defendant No. 1 sold spot contracts of Sugar on a T+2 basis to a buyer and the Defendant No. 1 at the same time purchased the spot contracts of Sugar on a T+25 basis for itself, and/ or on behalf of its client the Defendant No. 2 herein, from that same buyer. The Defendant No. 3 is a director of the Defendant No. 1 Company and was in charge of the day-to-day affairs of the said Defendant No. 1 at all relevant times when the suit transactions and defaults took place. The Defendant No. 3 is also a director of the Defendant Nos. 16 and 17 companies. The Defendant No. 4 is also a director in Defendant No. 1 Company and was also in charge of the day-to-day affairs of the said Defendant No. 1 at all relevant times when the suit transactions and defaults took place. The Defendant No. 4 is also a director of the Defendant No. 13 Company. The Defendant Nos. 3&4 have additionally by way of a Settlement Agreement personally guaranteed the due payment of the settlement amount in their individual capacity. The Defendant Nos. 5 to 7 are the shareholders of the Defendant No. 1 and have enjoyed the benefits of the suit transactions and defaults committed by the Defendant No. 1, and are therefore liable and responsible to make good the losses caused thereby. The Defendant Nos. 8 to 10 are the directors of the Defendant No. 2 and they have caused the Defendant No. 2 to act in concert with, and under the instructions of, the Defendant No. 1 and/ or their management and promoters to facilitate trading of spot contracts in pairs. The Defendant No. 11 is the statutory auditor of the Defendant No. 1 and the Defendant No. 12 is the statutory auditor of the Defendant No. 2 at the relevant time when the suit transactions / defaults have taken place. The Plaintiff states that the Defendant Nos. 11 and 12 have colluded and facilitated the default committed by the defaulter members being Defendant No. 1 and its client (Defendant No. 2) and thereby enabled them to perpetrate the fraud played by them upon the Plaintiff exchange and the

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counterparties to the trades undertaken by the 1st Defendant on its own behalf and/or on behalf of its client, the Defendant No. 2 herein. The Plaintiff states that Defendant Nos. 11 and 12 have also acted in connivance with Defendant Nos. 1 to 10, in their wrongdoings. The Plaintiff states that Defendant Nos. 11 and 12 were in charge of the accounts of the Defendant Nos. 1 and 2 and were aware of the transactions entered into by the Defendant Nos. 1 and 2 on the Plaintiff Exchange and were therefore aware of the wrongdoings of the Defendant Nos. 1 and 2. The acts leading to the defaults committed on the Plaintiff Exchange could not have occurred without the knowledge and active participation of these Defendants. The Plaintiff states that Defendant Nos. 11 and 12 being the statutory auditors of the Defendant Nos. 1 and 2 were fully aware as regards the correct and actual stock positions and commodities owned by / controlled by Defendant Nos. 1 and 2. As will be demonstrated herein below, the Defendant Nos. 3 to 12 have utilized the corporate structure and identities of the Defendant Nos. 1 and 2 for their own personal gain and are the real beneficiaries of the defaults that have occurred on the Plaintiff's exchange, and have therefore rendered themselves liable to make good the losses suffered thereby. The Defendant No. 13 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant No. 1 and is controlled by the management/ promoters of the Defendant No. 1, and has its registered office at the same address as that of the Defendant No. 1 and by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. The Defendant No. 14 is the wife of the Defendant No. 3 and by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. The Defendant No. 15 by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. The Defendant No. 16 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant No. 1, 13 and 17 and is controlled by the management/ promoters of the Defendant Nos. 1, 13 and 17, and has its registered office at the same address as that of the Defendant No. 1. The Defendant No. 16 by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. The

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Defendant No. 17 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant No. 1, 13 and 16 and is controlled by the management/promoters of the Defendant No. 1, 13 and 16. The Defendant No. 17 by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. Thus, the said Defendants have undertaken and assumed personal obligation to make payment of the Plaintiff's dues claimed herein. The Defendant No. 18 is a Company incorporated under the Companies Act, 1956 and is engaged in the business of real estate / development of properties.

3. The Plaintiff states that the Defendant No. 1 had an outstanding ledger balance as on 15 August 2013 of Rs. 5,750,834,847.33/- (Rupees Five Hundred and Seventy Five Crores Eight Lakhs Thirty Four Thousand Eight Hundred and Forty Seven and Thirty Three Paise Only). The Plaintiff states that thereafter Defendant No. 1 has, from time to time paid certain amounts to the Plaintiff from November 2013 to October 2014 amounting to Rs. 29.70 crores (Rupees Twenty Nine Crores and Seventy Lakhs Only). The Plaintiff therefore states that the current outstanding amount of Defendant No. 1 for which this suit has been filed amounts to Rs. 5,453,834,847.33/- (Rupees Five Hundred and Forty Five Crores Thirty Eight Lakhs Thirty Four Thousand Eight Hundred and Forty Seven and Thirty Three Only). The Plaintiff states that this amount is due and payable since 15th August 2013, and therefore the present suit is filed to recover an amount aggregating to Rs. 5,453,834,847.33/- (Rupees Five Hundred and Forty Five Crores Thirty Eight Lakhs Thirty Four Thousand Eight Hundred and Forty Seven and Thirty Three Only) along with interest thereon at 18% per annum from the due date of payment i.e. August 15, 2013, until payment and/ or realization thereof. The Plaintiff states that the total suit claim therefore, with interest till the date of filing of the suit amounts to Rs. 6,908,200,000.00/- (Rupees Six Hundred and Ninety Crores and Eighty Two Lakhs Only), the details and computation of which amount is set out in the Exhibit annexed hereto and marked as Exhibit "T".
4. The Plaintiff states that the amount claimed in the present suit amount is admittedly due and payable to the Plaintiff by the 1st Defendant on account of their pay-in

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obligations for the trades executed by the 1st Defendant on its own behalf and/ or on behalf of its client, the Defendant No. 2 on the Plaintiff's spot exchange platform, and which amount once recovered will be utilized to meet the pay-out obligations that arose on account of the 1st Defendants' trades to various trading or trading-cum-clearing members of the Plaintiff. Without prejudice, the Plaintiff is also entitled to recover its suit claim from the 1st to 12th Defendants jointly and/ or severally, as each of them have colluded and conspired with the others and played a fraud for their own personal gains and unjustly enriched themselves to the extent of the Plaintiff's suit claim.

5. The Plaintiff states that in addition to Defendant No. 1, two other sister concerns / group companies of Defendant No. 1 were also Trading Members on the Plaintiff exchange. The Plaintiff states that in an attempt to facilitate settlement and with an intention to recover the amounts due and payable by these entities to the Plaintiff, the Plaintiff agreed to an amount of Rs. 771 crores (out of total of Rs. 922 crores i.e. approx. Rs. 575 crores due and payable by Defendant No. 1 and Rs. 333 crores due and payable by one of the group companies, i.e., M/s Tavishi Enterprises Pvt. Ltd. and Rs. 14 crores being due and payable by the other group company i.e. M/s Brinda Commodities Pvt. Ltd.). The Plaintiff states that the said Settlement Agreement was subject to the approval of the Forward Markets Commission, in the circumstances as elaborated herein below, which approval was not accorded by the said Commission on account of the reduction in the amount agreed to be paid. The Plaintiff states therefore that it is entitled to make its entire claim, as set out herein above. The Plaintiff states however, that the said Settlement Agreement constitutes an admission of liability on behalf of Defendant No. 1 as well as the other parties in the circumstances as set out therein.
6. The Plaintiff states that based on the admission in the Settlement Agreement, and without prejudice to the Plaintiff's case that the Defendant No. 1 is liable to pay an amount as set out herein above, the Plaintiff states that it is entitled forthwith to recover a sum of Rs. 480.83 crores, being the admitted pro-rata share of Defendant No. 1 as per the terms of the Settlement Agreement dated 30th October 2013, from the

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1st Defendant as also from the 3rd and 4th Defendants who have personally guaranteed due payment thereof vide the same agreement.

7. The Plaintiff states further that as per the terms of the said Settlement Agreement if the parties thereto /Defendants herein defaulted in paying the amount as mentioned therein, then in addition to paying the agreed amount of Rs. 771 crores, the Defendants (together with Defendant No. 1's sister entities) would also be liable to pay an additional Rs. 139 crores (and Rs. 11 crores already paid by Defendant No. 1 as per the said Settlement Agreement was to be forfeited) to the Plaintiff. Accordingly, the Plaintiff is entitled to claim an additional sum of Rs. 86.69 crores (being a pro-rata share of Rs. 139 crores payable, in addition to Rs. 480.83 crores stated herein above) totalling to an amount of Rs. 771 crores (hereinafter referred to as the "admitted amount") as admitted and stipulated as payable under the terms of the said Settlement Agreement and also consequent to the Defendant No. 1's breaches thereof and defaults thereunder. The Plaintiff states further that it is also entitled to seek enforcement of the obligations undertaken personally by the 13th to 16th Defendants to secure its claim as per the provisions of the Settlement Agreement entered into between the parties. Defendant Nos. 13 to 16 have undertaken and assumed personal obligation and liability to make payment.
8. The Plaintiff states that the former Managing Director and Chief Executive Officer of the Plaintiff, Mr. Anjani Sinha, was responsible for the day-to-day management and affairs of the Plaintiff. The said Mr. Anjani Sinha, by misusing his position and misleading the Plaintiff and its Board of Directors and suppressing information from them, colluded and conspired with Defendant No. 1 and their directors/shareholders and clients/ related entities, amongst other trading members of the Plaintiff, and other senior officials of the Plaintiff, for their own personal gains and unjustly enriched themselves at the expense of a large number of counterparties to the trades carried out by the Defendant No. 1 and/ or the Defendant No. 1's client as more particularly set out hereinafter. The other senior officials of the Plaintiff who were involved are the following: Assistant Vice-President (Business Development) Mr. Amit Mukherjee; Assistant Vice-President (Market Operations) Mr. Jai Bhaukhandi; Manager

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(Business Development) Mr. Maneesh Chandra Pandey; and Chief Financial Officer Mr. Shashidhar Kotian. All the above mentioned people were directly reporting to and working under the direct supervision and control of the said Mr. Anjani Sinha, and were suspended from their services in the month of August, 2013 (*when the collusion and conspiracy and subsequent defaults came to the knowledge of the Plaintiff*) for colluding and conspiring, *inter alia*, with Defendants herein, for their own personal gains as more particularly set out hereinafter. The Plaintiff further states that the aspect of criminality involved in the conspiracy and fraud played by the Defendants in collusion with the erstwhile Managing Director and CEO and other officials of the Plaintiff, is being investigated by the Economic Offences Wing (EOW) of the Mumbai Police, the Enforcement Directorate and the Central Bureau of Investigation, which does not prejudice, restrict or affect the rights of the Plaintiff to adopt appropriate civil proceedings to recover the monies due from the 1st Defendant and other Defendants to the Plaintiff, arising out of / in relation to the transactions undertaken by them on the Plaintiff's exchange platform.

9. The Plaintiff states that the Plaintiff permits trading through its Members, called Trading Members or Trading-cum-Clearing Members as the case may be and only these members are entitled to trade on the Exchange for themselves and/or their clients. The Defendant No. 1 made an application for Membership of the Plaintiff under the Rules and Byelaws of the Plaintiff. Hereto annexed and marked as Exhibit "A" is the copy of the Membership Application of the Defendant No. 1.
10. The Plaintiff states that Plaintiff Exchange is governed by its Bye-laws and Rules and all its members and their clients are bound by the same. The Plaintiff craves leave to refer to and rely upon the Bye-laws and Rules as and when produced. Some of the relevant provisions of the Bye-laws are set out herein below, for convenience as follows:

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2.15 Buyer means and includes, unless the context indicates otherwise, the buying client, the buying exchange member acting either as an agent on behalf of the buying client or buying on his own account.

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2.25 Clearing House means the division of the Exchange, or an entity designated as such by the Exchange, providing the services of settlement of transactions to the exchange members and guaranteeing settlement by delivery or otherwise of the obligations to the clearing members, on behalf of the Exchange.

2.26 Clearing member means a trading-cum-clearing member or an institutional clearing member of the Exchange who has the right to clear transactions in commodities that are executed in the trading system of the Exchange.

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2.37 Delivery means the tender and receipt of warehouse receipts/ or any other document of title to goods by issue of delivery order in settlement of a transaction.

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2.72 Seller means and includes, unless the context indicates otherwise, the selling client, and the selling exchange member acting as an agent on behalf of such selling client and denotes the selling exchange member when he is dealing on his own account.

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2.91 Trading-cum-clearing member means a person who is admitted by the Exchange as a member of the Exchange conferring a right to trade and clear through the Clearing House of the Exchange as a clearing member and who may be allowed to make deals for himself as well as on behalf of his clients and clear and settle such deals only.

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2.95 Warehouse means and includes any place of storage, godown, warehouse, tank, silos, store house, storage tank, etc. where the commodities traded on the Exchange are stored.

2.96 Warehouse Receipt means a document, whether in physical or electronic form evidencing a commodity being held in the approved warehouse.

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3.10 Every member of the Exchange shall indemnify and keep indemnified the Exchange from and against all harm, loss, damages, injury and penalty suffered or incurred and all costs, charges and expenses incurred in instituting and/or carrying on and/or defending any suits, action, litigation, arbitration, disciplinary action, prosecution or any other legal proceedings suffered or incurred by the Exchange on account of or as a result of any act of commission or omission or default in complying with any of the provisions or the authorities regulating spot trading in the area where such trading takes place, and the Rules framed thereunder or these Bye-Laws or the Rules, Business Rules or Regulations of the Exchange or due to any agreement, contract or transaction executed or made in pursuance thereof or on account of negligence or fraud on the part of any member of the Exchange or the Clearing House and their employees, servants and agents.

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4.6 While entering an order in the system, the member shall specify whether such order is on his own account or on account of his client. If the order is for and on behalf of a client, he should specify the respective client identification number.

4.7 Before executing a trade for a client, the member shall sign a written agreement with the client, as per the procedure and in the format, as may be specified by the Exchange.

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4.27 Indian law shall apply to the commodities entered between the members of the Exchange and jurisdiction shall be the courts in Mumbai.

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5.17 CLOSING-OUT - EXCHANGE MEMBER'S RESPONSIBILITY

The exchange member shall be fully accountable for the closing out of transactions effected by the Exchange on his behalf and shall indemnify the Exchange against any loss or cost arising out of or incidental to such close-out of transactions either directly or indirectly.

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5.24 Matching rules:

The Exchange may from time to time specify in its relevant Business Rules and Regulations the rule or principles to be applied for matching orders on "NEST" or any other trading system of the Exchange, which may vary for different order books. Unless otherwise specified, the orders shall be matched on price-time priority.

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7.9.2 Commodities, or price indices not guaranteed by the Exchange shall also be cleared, settled or closed out in accordance with the Bye-Laws and Rules, Business Rules and Regulations of the Exchange in force from time to time. The Exchange however shall not be responsible for the performance of such contracts. If any party to such contract defaults in respect of his financial obligations or fails to deliver goods on maturity of the contract, the defaulting member shall be liable for appropriate disciplinary action by the Relevant Authority and his contract will be closed out by the Relevant Authority in accordance with the Bye-Laws, Rules, Business Rules and Regulations or notices, or orders issued thereunder. The Exchange shall then be entitled to recover dues of any defaulting member from his security deposit and other funds, if any lying with the Exchange, as also from his debtor members and appropriate the amount so recovered for distribution amongst his creditor members on pro rata basis.

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7.9.3 Exchange shall not be deemed to guarantee the financial obligations of a defaulting clearing member to other members, who are doing clearing and settlement through him.

7.9.4 The Exchange shall not be deemed to guarantee the financial obligations of any member of the Exchange to his/its clients; and

7.9.5 The Exchange shall not be deemed to guarantee the delivery, the title, genuineness, quality or validity of any goods or any documents passing through the Clearing House of the Exchange.

8.1 In respect of transactions taking place in the Exchange, buyers and sellers shall post such amount as initial margin, including special margin, as may be specified by the Relevant Authority from time to time.

8.5 Failure to pay variation margin may lead to the exchange member being deactivated/suspended and declared as defaulter by the Exchange. The Relevant Authority may also take such other measures including disciplinary actions, against the defaulting members, as it may deem fit.

9.10 In case of commodities coming under settlement through delivery and payment, the difference shall be calculated between the contract rate and the closing price of that day. This difference shall be receivable/payable on the next working day of the date of transaction. Subsequently, delivery and payment settlements shall be made on the basis of closing price of the date of trade.

10.10 Delivery Orders shall be passed on to the Clearing House through the Clearing Members and vice versa. The Members of the Exchange themselves or their agents shall be entitled to receive or give Delivery Order, Registered non-members shall give or receive Delivery Orders through Members of the Exchange who have executed their transactions.

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10.11 At the time of issuing the Delivery Order, the seller of such commodity must satisfy his Clearing Member that he owns and holds in his possession or his agent's possession adequate stocks of the required quantity and quality of the commodity in which he has open position to make delivery in the specified manner to cover the commitments included in the Delivery Order.

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10.17 The Exchange may appoint a panel of surveyors or agencies including laboratories, for the purpose of quality and weighment /quantity certification of commodities tendered.

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11.1 In respect of all trades done by the members of the Exchange, the Exchange will electronically forward reports to the respective members, including settlement obligations relating thereto. All such reports and obligations shall be binding on the members of the Exchange.

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11.4 A clearing member shall notify the Exchange of any incident, which may endanger the clearing members financial strength or interfere with the clearing Member's ability to conduct its business in the best interests of the Exchange.

11.5 All Members of the Exchange as well as other market intermediaries shall be required to maintain such Books of Accounts, Registers, Statements and other Records, either in physical or electronic form, as may be specified by the Relevant Authority. All such documents and records shall be kept in good order and preserved at least for such period, as may be specified by the Relevant Authority. All such documents and records shall be made available to the Exchange by the member for inspection, whenever required.

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15.6 Jurisdiction

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All parties to an arbitration under these Bye-Laws, Rules, Business Rules and Regulations and the persons, if any, submitting claims under them, shall be deemed to have submitted to the exclusive jurisdiction of the Court in Mumbai for the purpose of giving effect to the provisions of the Act, these Bye-Laws and Rules, Business Rules and Regulations in force.

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16.1 Whenever a Trading Committee or Committees constituted for a commodity or a group of commodities, and / or the Relevant Authority, considers that there is an emergency, corner or crisis in the nature of manipulation, squeeze, bear raid or wherever it appears to such a Committee and/or to the Relevant Authority that the commodities are transacted for the purpose of inducing a false or artificial appearance of activity or upsetting the price equilibrium or that the business is being conducted in a manner prejudicial to the interest of the trade or the interest and welfare of the Exchange, the Clearing House may effect special clearance of outstanding positions that have been registered or impose additional /special margins or take such other measures that the Committee concerned or the Relevant Authority may decide.

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If the Relevant Authority is of the opinion that continuation of transactions in a specific commodity or commodities is detrimental to the interest of the trade or to the public interest or to the larger interest of the economy of India, then notwithstanding anything to the contrary contained in these Bye-Laws or any contract made subject to these Bye-Laws, trading in such commodity/ies shall be suspended, but the position outstanding in such commodities will be settled by way of delivery and payment, as may be decided by the Relevant Authority."

11. The relevant facts and circumstances for the present claim are briefly set out hereinbelow:

- a. The Plaintiff commenced operations pursuant to a Gazette Notification dated 5 June 2007 (hereinafter referred to as "Notification") issued by the Ministry of

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Consumer Affairs, Food and Public Distribution, Government of India, (hereinafter referred to as "Government") allowing it to conduct trading in forward contracts of one day duration subject to conditions stated in the Notification. The Notification expressly exempted the Plaintiff Exchange from the ambit of the Forward Contract (Regulation) Act, 1953, under Section 27 thereof on the terms and conditions contained therein. The Plaintiff craves leave to refer to and rely upon the Notification as and when produced.

- b. The Defendant No. 1 has executed various documents and undertakings as required, from time to time to enable trading on the Plaintiff Exchange. The Plaintiff craves leave to refer and rely upon the said documents, as and when produced.
- c. Pertinently, the Plaintiff states that the Defendant No. 1 executed at Mumbai an agreement with the Plaintiff Exchange to place on record the terms and conditions, representations, warranties, covenants and principles agreed between them for protecting the rights of the Plaintiff Exchange and the other members of Plaintiff Exchange. The Plaintiff craves leave to refer to and rely upon the said agreements, as and when produced.
- d. The Defendant No. 1 holds :
 - i. Settlement Account No. 912020059176811 with Axis Bank, Pitampura branch, New Delhi for the purpose of facilitating settlement of their obligations in relation to trades carried out on behalf of its client and/ or on its own behalf on the Plaintiff exchange platform.
- e. Trading on the Exchange took place on the basis of contracts permitted by the Plaintiff Exchange. By these contracts trading members were permitted to purchase and sell commodities on the Exchange platform in the manner and on the terms as specified in the contracts created. The contracts were indicated by the Exchange by circulars issued from time to time. Each circular would specify

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a commodity specific contract to enable the trading members to trade in that particular commodity.

f. Pursuant to the above, the Plaintiff permitted Defendant No. 1 to trade on its exchange platform in contracts of various commodities. All the trades conducted on the Plaintiff's Exchange platform were through the afore stated accounts, and a perusal of the said accounts would categorically demonstrate that the monies were received by Defendant No. 1 towards trades executed by them on the Plaintiff's Exchange platform. As will be demonstrated below, the monies due and payable by Defendant No. 1 to the Plaintiff as claimed herein arise entirely on account of such trades.

g. The Plaintiff states that in order to illustrate the nomenclature used in the aforesaid contracts, "T" means the Trade Day, i.e. the day on which the trade takes place and "+2" or "+25" or any such number means the number of business days on expiry of which the delivery and payment is due to be effected by the Buying Member and the Selling Member, as the case may be. In each case, i.e. for each commodity, contracts of varying duration were created, usually of a shorter duration of "T+2" or "T+3" and a longer duration of "T+25" or "T+36". For instance:

(i) T+2 means the trade is concluded on "T" day and the delivery and payment would be effected on the 2nd business day from the "T" day by the Selling and Buying Member, as the case may be; and

(ii) T+25 means the trade is concluded on "T" day and the delivery and payment would be effected on the 25th business day from the "T" day by the Selling and Buying Member, as the case may be.

It is clarified that for the purpose of computation of number of days for settlement under T+2 and T+25 contracts (for the sake of brevity hereinafter referred to as "Said Contracts"), only business days are taken into consideration.

The steps involved in execution of T+2 and T+25 contracts are briefly summarized as under:

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Contract (T+2)

- i. Step 1 (T): Trade is done by a member on "T" day i.e. a Selling member sells commodity and Buying member buys commodity at the market price on this day.
- ii. Step 2 (T): Trade file is sent to Buying and Selling Members respectively at end of "T" day on File Transfer Protocol ("FTP").
- iii. Step 3 (T+1): Obligation report is generated by the Plaintiff Exchange and sent to the Buying Member on "T+1" day setting out the Buying Member's Pay-In Obligation for the total quantity, total value and charges if any.
- iv. Step 4 (T+2): On 2nd business day from the "T" day (T+2), the Plaintiff Exchange sends bank file to the Clearing Bank to debit Buying Member's Clearing Bank Account by 9.00 A.M. It is clarified that Clearing Bank Account is the bank account of a Member in the Clearing Bank. "Clearing Bank" means a bank that is designated or appointed to provide banking and other facilities to the Exchange, Clearing House of the Exchange and members of the Exchange to facilitate clearing and settlement functions. The Buying Member needs to ensure that the deposits as required are available in their Clearing Bank Account on T+2. Upon receipt of response file from the Clearing Bank, the Plaintiff Exchange updates the Exchange system and sends bank file to Clearing Bank to credit the Selling Member's Clearing Bank Account.

Contract (T+25)

- i. Step 1 (T): Trade is done by a member on "T" day i.e. a Selling member sells commodity and Buying member buys commodity at the price fixed on this day.
- ii. Step 2 (T): Trade file is sent to Buying and Selling Members respectively at end of "T" day on File Transfer Protocol ("FTP").
- iii. Step 3 (T+24): Obligation report is generated by the Plaintiff Exchange and sent to the Buying Member on "T+24" day setting out the Buying Member's Pay-In Obligation for the total quantity, total value and charges if any.

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- iv. Step 4 (T+25): On "T+25", the Plaintiff Exchange sends bank file to the Clearing Bank to debit Buying Member's Clearing Bank Account by 9.00 A.M. The Buying Member needs to ensure he deposits required money in his Clearing Bank Account on T+25. Upon receipt of response file from the Clearing Bank, the Plaintiff Exchange updates the Exchange system and sends bank file to Clearing Bank to credit the Selling Member's Clearing Bank Account.

The flow chart explaining the above steps in T+2 and T+25 contracts is contained in Exhibit "B" hereto.

- h. Accordingly, the Plaintiff states that on 3rd December 2012, two circulars bearing no. NSEL/ TRD/ 2012/ 216 and NSEL/TRD/2012/217 were issued by the Plaintiff introducing contracts for spot trading in Sugar M-30 Grade Trader's Ex- Delhi on T+2 and T+25 basis respectively. The circulars provide detailed contract specifications and the contracts which were / are subject to the Plaintiff's Bye-laws, Rules and Regulations. Hereto annexed and marked as Exhibit "C" and Exhibit "D" are copies of the said Circulars issued by the Plaintiff.
- i. The Plaintiff states that each of the aforesaid contracts traded on the Plaintiff Exchange specified a designated warehouse at which the underlying traded commodities were liable and required to be deposited by the seller/trading member. The Plaintiff states that the commodities sold were required to be deposited at such designated warehouses at the time as specified in the contracts; for instance in a T+2 contract on the 2nd business day, and in a T+25 contract on the 25th business day. The selling member was bound to deposit in./ deliver to the designated warehouse, the commodity contracted to be sold in physical form by actual deposit of the commodity.
- j. At the time when the commodities were deposited by the trading member who was selling the same in the exchange designated warehouse, the trading member who was buying the commodities had the option, in lieu of taking physical

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delivery thereof from the warehouse, to take constructive delivery of the said commodities. In the event that a trading member was selling the commodities on the basis of the warehouse receipt he would then surrender the same to the exchange and release his ownership over the goods leaving the buying trading member free to remove the commodities from the warehouse after settling the payment obligation in the respective settlement.

- k. The Plaintiff states that Defendant No. 1 has been trading in spot contracts of Sugar M-30 Grade, Ex-Delhi and had been executing T+2 and T+25 contracts in a paired manner on the Plaintiff Exchange for itself and the Defendant No. 1 has already been trading in those contracts on behalf of its client, i.e. Defendant No. 2. The Plaintiff states that such T+2 and T+25 contracts executed by the Defendant No. 1 on the Plaintiff Exchange are subject to and governed by the Bye-laws, Rules and Regulations of the Exchange.
- l. The Plaintiff states that Defendant No. 1 is one such defaulter Trading Member who has been trading in T+2 contracts and T+25 contracts since 4th December 2012 in the manner as described hereinabove. The Defendant No. 1 would sell a particular quantity of Sugar under T+2 contract on "T" day to a buying trading member on its own behalf and the Defendant No. 1 would enter into a corresponding T+25 contract on behalf of its client, the Defendant No. 2 on the same day to buy the same quantity of Sugar as sold under the T+2 contract by the Defendant No. 1 from the same purchasing trading member. The Defendant Nos. 1 and 2 chose to trade in these contracts in this concerted manner with a view to sell and repurchase the commodities in a paired manner.
- m. It is pertinent to note that since the Defendant Nos. 1 and 2 executed T+2 and T+25 contracts in such a paired manner that the commodity sold by Defendant No. 1 on the Plaintiff Exchange on "T" day would be repurchased by the Defendant No. 1 on behalf of the Defendant No. 2 from the same counter party on the same day and only the settlement dates would differ. As every contract

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created and trade executed on the exchange platform compulsorily required physical delivery of the commodity in the exchange designated warehouse, and as short selling was specifically prohibited, the Defendant No. 1 was obliged to deposit commodities sold by it under the T+2 contract on the Plaintiff Exchange in the designated warehouse / property of the Plaintiff on T+2nd day. It was only upon the actual delivery of physical commodities that the Defendant No. 1 was entitled to receive the Pay-Out i.e. the amount payable to the Defendant No. 1 under the Obligation Report on T+2nd, after receipt of such amount from the Buying Member.

- n. On T+25th day, the Defendant No. 1 (on behalf of its client the Defendant No. 2) was obliged to make pay-in of the amount due and payable for the commodity repurchased by Defendant No. 1 (*on behalf of the Defendant No. 2*) under T+25 and take delivery of the commodity as repurchased, which was nothing but a return of the commodities that were to be deposited by the Defendant No. 1 at the time of settlement of the corresponding T+2 contract.
- o. In order to facilitate delivery under these contracts, the Plaintiff Exchange was to be put in constructive possession of the commodities traded by the Defendant No. 1 on the Exchange during the interregnum period, i.e. the period between culmination of the two contracts, T+2 and T+25. To give effect to such arrangement, an Agreement dated 5 June 2013 [*in respect of the following warehouses at Khasra Nos. 106/319, 106/251, 106/255, 106/99, 106/102 & 103, Kherakalan, Delhi and Khasra No. 398/2, Village Hameedpur, Delhi 110 036*] was executed between the Plaintiff and Defendant No. 1 by which the Plaintiff Exchange was supposed to acquire constructive possession of the warehouse/property (*as described in the said Agreement*), which was being utilized by the Defendant Nos. 1 to store the various commodities traded by them on the Plaintiff Exchange on their own behalf. It is pertinent to note that the said Agreement dated 5th June 2013 was executed for the limited purpose of facilitating constructive possession of the warehouses / properties with the

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Plaintiff Exchange and, in fact, the actual and physical control of the said warehouses/properties remained with the Defendant No. 1 at all times. The Defendant No. 1's liability to deliver the physical commodities under the T+2 contracts was, and remained, absolute in accordance with the Bye-laws and Rules of the Plaintiff Exchange and the Defendant No. 1 was not entitled to deal with the commodities in any manner whatsoever during the interregnum period i.e. the period between culmination of the two contracts T+2 and T+25. Hereto annexed and marked as Exhibit "E" is a copy of the said Agreement dated 5 June 2013.

- p. The Plaintiff states that the Clearing Bank Accounts of the Defendant No. 1 was opened in Axis Bank, New Delhi. The Defendant No. 1 deposited Initial Margin time to time which was credited to its account. As on 31st July 2013, the Defendant No. 1 had a credit balance of Rs. 114,57,01,073/- (Rupees One Hundred Fourteen Crores Fifty Seven Lakhs One Thousand and Seventy Three Only) in its Initial Margin Account. The initial ledger extracts contained in Exhibit I pertain to the Initial Margin which reflects the bank pay-in / pay-out received from / paid to Member towards Margin Requirements.
- q. The Plaintiff further states that Defendant No. 1 issued commodity offer letters and VAT Invoices to the buyers in relation to the commodities sold by them on the Plaintiff Exchange under the T+2 contracts, clearly indicating that Defendant No. 1 had purchased commodities under the T+25 contracts and was obliged to deliver the commodities sold under the T+2 contracts to the designated warehouse of the Plaintiff Exchange. Hereto annexed and marked as Exhibit "F" are sample VAT invoices issued by the Defendant No. 1 in favour of buyers for commodities sold on the Exchange and also attached are the invoices issued by the seller in favour of the Defendants. The Plaintiff craves leave to refer to all invoices and documents relating thereto.

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Hereto annexed and marked Exhibit "G" are the Trade Summaries giving details of the contracts traded by Defendant No. 1 for itself and on behalf of Defendant No. 2.

The following details have been set out in the Trade Summary:

- (i) The Trade Date i.e. the "T" day on which the trade was executed by Defendant No. 1;
- (ii) The Original Due Date i.e. the date on which the payment and delivery would take place under the Contract;
- (iii) The Ledger Date i.e. the date on which the transaction of pay-in / pay-out, as the case may be would be reflected on the ledger of the concerned member;
- (iv) The nature of Commodity traded;
- (v) Client ID. The trades executed by the Defendant No. 1 on its own behalf is indicated as "OWN" and trades executed by Defendant No. 1 on behalf of its client is indicated as "MSPPL"; It is pertinent to note that the code MSPPL and OWN are the codes assigned to the Defendant No. 1 and 2 hereinabove respectively.
- (vi) The quantity and amount of sale / purchase transaction.

r. The Plaintiff states that the Plaintiff maintains ledger accounts of each Member in the ordinary and regular course of business. There are three types of sub-ledgers maintained by the Plaintiff:

- (i) Initial Margin Ledger - This is used to reflect bank pay-In / Pay-Out received from / paid to Member towards Margin Requirements;
- (ii) Member Daily Obligation Ledger - This is used to reflect Member Obligations not directly related to trades, such as Exchange Transaction charges and any bank pay-in / pay-out towards the same.
- (iii) Member's Delivery Obligations Ledger - This is used to reflect Member's Obligations related to Trades and Charges related to the trades and bank pay-in / pay-out.

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Hereto annexed and marked Exhibit "H" are the ledger extracts of Defendant No.1 containing each of the sub-ledgers from 1 April 2014 until date.

- s. The Plaintiff states that Defendant Nos. 1 and 2 commenced trading in T+2 and T+25 contracts on the Plaintiff Exchange in Sugar M-30 Grade Trader's Ex-Delhi. On 4th December 2012, Defendant No. 1 on its own behalf sold Sugar M-30 Grade contract SM30DEL2 100 lots at the rate ranging from Rs. 3,425 to Rs. 3,478 per quintal (i.e. per unit) under T+2 contract with settlement due date of 6th December 2012, aggregating to Rs. 3,42,50,000/- (Rupees Three Crores Forty Two Lakhs and Fifty Thousand only). At end of day on 4th December 2012, the Trade file was sent to Defendant No. 1 on File Transfer Protocol. Hereto annexed and marked Exhibit "I" is copy of the Trade File sent to Defendant No. 1. On 6th December 2012 ("T+2"), the Plaintiff credited the ledger account (Member Delivery Obligation) of Defendant No. 1 by Rs. 3,42,50,000/- (Rupees Three Crores Forty Two Lakhs and Fifty Thousand only) being the pay-out amount of Rs. 3,42,50,000/- (Rupees Three Crores Forty Two Lakhs and Fifty Thousand only) to be paid by Plaintiff to Defendant No. 1 towards the quantity sold by Defendant No. 1 on 4th December 2012, upon receipt of such amount from the Buying Member. Subsequently, on the same date, the Plaintiff made payment of the Pay-Out Amount of Rs. 3,42,50,000/- (Rupees Three Crores Forty Two Lakhs and Fifty Thousand only) in the Clearing Bank Account of Defendant No. 1 and upon such payment, the Plaintiff debited the Ledger Account (Member Delivery Obligation) of Defendant No. 1. Hereto annexed and marked Exhibit "J" is the copy of the Obligation Report sent to Defendant No. 1 in this regard. On the same day when the Defendant No. 1 sold Sugar M-30 Grade under the aforesaid T+2 contract i.e. on 4th December 2012, the Defendant No. 1 on behalf of the Defendant No. 2 entered into a corresponding T+25 contract whereby Defendant No. 1 purchased 100 quantity of Sugar M-30 Grade under contract SM30DEL25 at the rate of Rs. 3,478 per quintal (i.e. per unit) under T+25 contract, aggregating to Rs. 3,47,81,000/- (Rupees Three Crores Forty Seven Lakhs Eighty One

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Thousand Only). On 4th December 2012, Single Trade file was sent to Defendant No. 1 on File Transfer Protocol, contain T+2 and T+25 trades. However, since this contract was T+25, the pay-in obligation of Defendant No. 1 for Rs. 3,47,81,000/- (Rupees Three Crores Forty Seven Lakhs Eighty One Thousand Only) was due on 9th January 2013. Therefore, on 8th January 2013 (T+24), the Obligation report was generated by the Plaintiff Exchange and sent to Defendant No. 1, thereby setting out the Pay-In Obligation of Defendant No. 1 for the total quantity, total value and charges if any aggregating to Rs. 3,49,91,782.87 (Rupees Three Crores Forty Nine Lakhs Ninety One Thousand Seven Hundred and Eighty Two and Eighty Seven Paise Only). Hereto annexed and marked Exhibit "K" is copy of the Obligation Report sent to Defendant No. 1. On 9th January 2013, the Plaintiff debited the ledger account (Member Delivery Obligation) of Defendant No. 1 by Rs. 3,49,91,782.87 (Rupees Three Crores Forty Nine Lakhs Ninety One Thousand Seven Hundred and Eighty Two and Eighty Seven Paise Only) being the pay-in amount of total of Rs. 3,47,81,000.00 (Rupees Three Crores Forty Seven Lakhs Eighty One Thousand Only) to be paid by Defendant No. 1 towards the quantity purchased and Rs. 2,10,782.87 (Rupees Two Lakhs Ten Thousand Seven Hundred Eighty Two and Eighty Seven Paise Only) towards "WR RECPT TRANSFER CHARGES". Subsequently, on the same date, the Plaintiff received sum of Rs. 3,49,91,782.87 (Rupees Three Crore Forty Nine Lakhs Ninety One Thousand Seven Hundred and Eighty Two and Eighty Seven Paise Only) from Defendant No. 1 and credited the Ledger Account (Member Delivery Obligation) of Defendant No. 1 by Rs. 20,84,40,000 (Rupees Twenty Crores Eighty Four Lakhs Forty Thousand only). From the aforesaid, it is clear that from 4th December 2012 i.e. from the date when Defendant No. 1 started trading T+2 and T+25 contracts on the Plaintiff Exchange until 8th January 2013 in a paired manner, the ledger account of Defendant No. 1 reflects only the pay-out obligations i.e. amounts payable to Defendant No. 1 under T+2 contracts. There is no pay-in obligation of Defendant No. 1 (i.e. the amounts payable by Defendant No. 1 to the Plaintiff Exchange under T+25 contracts) reflected in the ledger account during the period from 4th December 2012 until

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8th January 2013, as no T+25 contract matured during this period, although both T+2 and T+25 contracts were executed since 4th December 2012. It is submitted that admittedly Defendant No. 1 received the monies under T+2 contracts and was bound to effect delivery of the entire quantity of goods under T+2 contracts in the warehouse. This was mandatory irrespective of the fact whether T+25 contracts were executed or not.

- t. The Plaintiff states that Defendant No. 1 was obliged to make pay-in of the amount due and payable by Defendant No. 1 on the due date of each T+25 contract by 9 a.m. until final cut-off time of 1 p.m. Any shortage received was kept outstanding in the Defendant No. 1's account. During the day, when Pay-Out would be required to be made to Defendant No. 1, such amount would be first adjusted against the debit lying in Defendant No. 1's account, if any. After such adjustment, the difference, if any would be paid to Defendant No. 1.

For instance: On 9th January 2013, the Pay-In Obligation of the Defendant No. 1 was Rs. 3,47,81,000/- (Rupees Three Crores Forty Seven Lakhs Eighty One Thousand Only). Defendant No.1 made payment of Rs. 3,47,81,000/- (Rupees Three Crores Forty Seven Lakhs Eighty One Thousand Only). Hence pursuant to such payment, there was no debit balance in the account of Defendant No. 1. On 9th January 2013, the Pay-Out Obligation to Defendant No. 1 was 20,84,40,000/- (Rupees Twenty Crores Eighty Four Lakhs Forty Thousand Only). Therefore, the Plaintiff made payment of 20,84,40,000/- (Rupees Twenty Crores Eighty Four Lakhs Forty Thousand Only) to Defendant No. 1 on 9th January 2013. The total balance at the end of 9th January 2013 is, therefore, reflected as "0" in the ledger account of Defendant No. 1. Similarly, on all dates when Defendant No. 1 would make payment of its Pay-In Obligation as per the Obligation Report, the Plaintiff would make Pay-Out of the entire amount due and payable to Defendant No. 1 as per the Obligation Report and the net balance at the end of the day would be "0".

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u. The ledger account balances of the Defendant No. 1 at the end of each trade day would be either "Credit" / "Debit" or "0" and the same would be arrived at after reconciliation of the following:

- (i) The amount of credit / debit balance, if any at the end of the previous day;
- (ii) The payment made by Defendant No. 1 towards its Pay-In Obligation; and
- (iii) The amount of Pay-Out received by Defendant No. 1 in accordance with Pay-Out Obligation of the Plaintiff.

For instance: At the end of 8th January 2013, the ledger balance on the account of Defendant No. 1 was "0". On 9th January 2013, the Pay-In obligation of Defendant No. 1 was Rs. 3,49,91,782.87/- (Rupees Three Crores Forty Nine Lakhs Ninety One Thousand Seven Hundred and Eighty One and Eighty Seven Paise Only) against which Defendant No. 1 made payment of Rs. 1,32,00,000/- (Rupees One Crore Thirty Two Lakhs Only). Therefore, there was a shortfall by Rs. 2,17,91,782.87/- (Rupees Two Crore Seventeen Lakhs Ninety One Thousand Seven Hundred and Eighty Two and Eighty Seven Paise only). As per the Pay-Out Obligation, Defendant No. 1 was entitled to receive Rs. 20,84,40,000/- (Rupees Twenty Crores Eighty Four Lakhs, Forty Thousand Only) from the Plaintiff. Therefore, the Plaintiff adjusted the shortfall amount of Rs. 2,17,91,782.87/- (Rupees Two Crore Seventeen Lakhs Ninety One Thousand Seven Hundred and Eighty Two and Eighty Seven Paise Only) against the Pay-Out Amount and made of balance amount of Rs. 18,66,48,217.13/- (Rupees Eighteen Crores Sixty Six Lakhs Forty Eight Thousand Two Hundred and Seventeen and Thirteen Only) to Defendant No. 1 on 9th January 2013 thereby resulting in the net balance at the end of 9th January 2013 being "0".

v. In this regard, it is pertinent to note that the bank pay-in and bank pay-out entries in the ledger account of Defendant No. 1 are consistent with the statement of Clearing Bank Account of Defendant No. 1. In this regard it is submitted that as an Exchange platform and as provided in the Rules and Byelaws, the Plaintiff deals only with its Members. The Members may be trading on their own account

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or on behalf of clients, but the trading and Settlement obligation is that of the Members i.e. the Defendant No. 1 in the present case. Hence, the Plaintiff requires each member to open a Settlement Bank Account. When a Member is supposed to make a pay in of funds, he is supposed to collect the funds from his clients who traded through the Member and deposit it in the Settlement Bank account. Similarly when a payout is made for a sale of commodity, the Member is supposed to pay the clients from out of the funds received from the Plaintiff Exchange in the Settlement Bank account. Hereto annexed and marked Exhibit "L" is the copy of the statement of Clearing Bank Account of the Defendant No. 1. All amounts paid by the Defendant No. 1 in the Clearing Bank Account is credited in one of the sub-ledgers of the Defendant No. 1, depending on the purpose for which such amount is paid by Defendant No. 1. For instance: (i) If the amount is paid towards Initial Margin, the same will be credited in the Initial Margin Ledger. (ii) If the amount is paid towards daily obligations i.e. transaction charges, the same is credited in the Member Daily Obligation Ledger (iii) If the amount is paid towards Member's Obligations, the same is credited in the Member Daily Obligation Ledger.

w. The Defendant Nos. 1 and 2 continued to execute T+2 and T+25 contracts in the aforementioned paired manner and the ledger balances of the Defendant No. 1 were reconciled on day-to-day basis and all the Obligation Reports were sent to the Defendant No. 1 which indicate the debit and credit entries. It is extremely pertinent to note that Defendant No. 1 never disputed the ledger accounts or any of the Obligation Reports sent by Plaintiff and the ledger balance reconciled by Plaintiff on daily basis.

x. In April, 2012, the Exchange received a Show Cause Notice from the Ministry of Consumer Affairs (Ministry) Government of India (i.e. the Government) alleging violation of conditions of the Notification dated 05 June, 2007. The Plaintiff Exchange vide detailed letter dated 23 May, 2012 and follow-up letters dated 11 August 2012, 08 July, 2013 and 12 July, 2013 replied to the Show Cause

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Notice. The Plaintiff craves leave to refer to any rely upon the Notification dated 05th June, 2007, the correspondence exchanged between the Ministry and the Plaintiff and the Undertaking issued by the Exchange, when produced.

y. On 12th July, 2013, the Government addressed a letter directing the Plaintiff to furnish undertaking to the effect that:

(i) No further/ fresh contracts shall be launched till further instructions from concerned authority;

(ii) All the existing contracts will be settled on the due dates.

Hereto annexed and marked as Exhibit "M" is a copy of the said letter dated 12th July 2013.

z. In pursuance of the requisition of the Government, the Plaintiff issued a circular bearing no. NSEL/TRD/2013/061 dated 22nd July 2013, thereby stating the following:

"In order to implement better risk management practices, the Exchange has made the following changes in the settlement procedure for the trades with effect from Tuesday, 23rd July, 2013:

(i) *All contracts currently settled by delivery and payment beyond 11 days, will be settled on "T+10" days basis;*

(ii) *All contracts which are currently settled on "Net Obligation" basis shall be settled on Trade to Trade basis. This includes all e-series contracts such as e-gold, e-silver, e-copper, e-zinc, e-lead, e-nickel and e-platinum".*

Hereto annexed and marked as Exhibit "N" is a copy of the said circular dated 22nd July 2013.

aa. In view of the above circular, all contracts introduced on the Plaintiff Exchange from 23rd July, 2013 were T+10 instead of T+25. All T+25 contracts executed prior to 23rd July, 2013 were to be settled on their respective original due dates. The Plaintiff continued to offer T+2 contracts. The steps involved in execution and performance of T+10 contracts were as under:

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- (i) Step 1 (T): Trade is done by a member on "T" day i.e. a Selling member sells commodity and Buying member buys commodity.
- (ii) Step 2 (T): Trade file is sent to Buying and Selling Members respectively at end of "T" day on File Transfer Protocol ("FTP").
- (iii) Step 3 (T+9): Obligation report is generated by the Plaintiff Exchange and sent to the Buying Member on "T+9" day setting out the Buying Member's Pay-In Obligation for the total quantity, total value and charges if any.
- (iv) Step 4 (T+10): On "T+10", the Plaintiff Exchange sends bank file to the Clearing Bank to debit Buying Member's Clearing Bank Account by 9.00 AM. The Buying Member needs to ensure he deposits required money in his Clearing Bank Account on T+10. Upon receipt of response file from the Clearing Bank, the Plaintiff Exchange updates the Exchange system and sends bank file to Clearing Bank to credit the Selling Member's Clearing Bank Account.

bb. Pursuant to introduction of T+2 and T+10 contracts, several members of the Plaintiff Exchange executed T+2 and T+10 contracts in a paired manner. For instance, a Member would sell its commodity under T+2 contract on the "T" day and on the same day, such Member would enter into corresponding T+10 contract whereby the Member would buy equivalent quantity of commodity as sold under the T+2 contract from the same counter party. While both T+2 and T+10 contracts would be executed by a member on the same trade date, the settlement dates under both contracts would fall on different dates. The entitlement of the Member to receive pay-out amount under T+2 contract would become due on the 2nd business day from the trade date but the obligation to make pay-in would fall due on the 10th business day from the trade date.

cc. The Defendant Nos. 1 and 2 also traded in T+2 contracts and T+10 contracts from 23rd July, 2013 to 25th July, 2013 as detailed in the Trade Summary contained in hereto. The Pay-Out Obligation to Defendant No. 1 in respect of the T+2 (sale) contract executed by them was reflected on the 2nd business day from

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the trade date whereas the Pay-In Obligation of Defendant No. 2 in respect of its T+10 contract (purchase) was reflected on the 10th business day from the trade date.

dd. In light of the directions by the Government regarding compliance with the Notification, the Plaintiff Exchange addressed a letter dated 31st July, 2013 to the Government by which it stated as follows:

- (i) *Trading in all contracts, except e-series contracts, stands suspended until further notice;*
- (ii) *Notwithstanding anything contained in the Bye-laws or any contract, it had been decided to merge the delivery and settlement of all pending contracts and to defer it for a period of 15 days and consequently, the positions outstanding in the contracts will be settled by way of delivery and payment after expiry of 15 days;*
- (iii) *A revised settlement calendar will be announced for contracts due for settlement after such 15 days period".*

Hereto annexed and marked Exhibit "O" is copy of letter dated 31st July, 2013.

ee. On 31st July, 2013, the Plaintiff issued Circular (NSEL/TRD/2013/065) thereby suspending trading in all contracts, except e-series contracts and merging the delivery and settlement of all pending contracts. The Circular provided as follows:

- (i) *Trading in all contracts, except e-series contracts, stands suspended until further notice;*
- (ii) *Notwithstanding anything contained in the Bye-laws or any contract, it had been decided to merge the delivery and settlement of all pending contracts with effect from today and to defer it for a period of 15 days and consequently, the positions outstanding in the contracts will be settled by way of delivery and payment after expiry of 15 days;*
- (iii) *A revised settlement calendar will be announced for contracts due for settlement after such 15 days period".*

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The Plaintiff states and clarifies that all T+2, T+25 and T+10 contracts executed by Defendant No. 1 were physical delivery contracts and not e-series contracts. Hereto annexed and marked Exhibit "P" is copy of circular dated 31st July, 2013.

- ff. As per the above circular dated 31st July, 2013, all open positions of Members were to be merged by 14th August, 2013. To ensure that, the activity of merging, reconciliation and dissemination of open positions are done timely; the positions were merged by the Plaintiff on 9th August, 2013 and the total outstanding amount towards the Pay-In Obligation of Defendant No. 1 was accordingly debited in the ledger account of Defendant No. 1 respectively on 9th August, 2013. In this regard, it is clarified that the Pay-In Obligation of Defendant No. 1 in relation to all T+25 contracts traded until 4th July, 2013 were reflected on their respective due dates and the Pay-In Obligation of all contracts traded from 05th July, 2013 onwards was merged and reflected on 09th August, 2013. In this regard, the following illustrations are cited:

(A) T+25 Contracts

- (i) The Pay-In Obligation under T+25 contract executed on 28th June, 2013 is reflected on 05th August, 2013;
 - (ii) The Pay-In Obligation under T+25 contract executed on 03rd July, 2013 is reflected on 07th August, 2013;
 - (iii) The Pay-In Obligation under T+25 contract executed on 04th July, 2013 is reflected on 08th August, 2013;
 - (iv) The Pay-In Obligations under all T+25 contracts executed on and from 05th July, 2013 is merged and reflected on 09th August, 2013.
- gg. Similarly, the Pay-In Obligation of Defendant No. 1 in relation to all T+10 contracts traded until 25th July, 2013 were reflected on their respective due dates and the Pay-In Obligation of all contracts traded from 26th July, 2013 onwards

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was merged and reflected on 09th August, 2013. In this regard, the following illustrations are cited:

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- (i) The Pay-In Obligation for T+10 contract executed on 23rd July, 2013 is reflected on 06th August, 2013.
- (ii) The Pay-In Obligation for T+10 contract executed on 24th July, 2013 is reflected on 07th August, 2013;
- (iii) The Pay-In Obligation for T+10 contract executed on 25th July, 2013 is reflected on 08th August, 2013;
- (iv) The Pay-In Obligations under all T+10 contracts executed on and from 26th July, 2013 was to be merged and reflected on 09th August, 2013.

hh. It is pertinent to note that due to settlement of new T+10 contracts introduced from 23rd July, 2013 and the settlement of previously traded T+25 contracts simultaneously on 07th August, the contracts traded on two dates i.e. on 03rd July and 24th July, 2013 became due for settlement, and on 08th August, the contracts traded on two dates i.e. on 04th July and 25th July, 2013 became due for settlement.

With regard to the aforesaid, the Trade Summary contained hereto clarifies the original due date of all contracts traded on the Exchange platform and the corresponding ledger dates on which the pay-out / pay-in obligation became due.

ii. Irrespective of the aforesaid, it is important to note that even if the Plaintiff had not debited the account of Defendant No. 1 from 1st to 9th August, 2013 and would have merged the pay-out obligations under all outstanding contracts on 14th August, 2013, the total outstanding debit balance in the Accounts of Defendant No. 1 would have been the same as is reflected presently.

jj. On account of the aforesaid merger of outstanding obligations, it was necessary to arrive at the final obligations for all defaulting members. Therefore, all the outstanding VAT amounts / Warehouse Receipt Charges were debited to the

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account of all members respectively on 9th August, 2013, and details of the same were duly reflected in the Obligation Report.

kk. On 03rd August, 2013, the Plaintiff issued Circular No. NSEL/TRD/2013/067, thereby stating that the pay-in received from all members on 29th July and 30th July, 2013 was refunded and all trades executed on 30th and 31st July, 2013 were reversed to avoid any further settlement obligations. This obligation was pertaining to trades executed on 29th July, 2013. Hereto annexed and marked Exhibit "Q" is copy of circular dated 3rd August, 2013.

ll. On 08th August, 2013, the Plaintiff had decided to settle open trades for which its Members had defaulted to Pay-In. The Pay-Out for such trades was done to Seller Member's Account from Settlement Guarantee Fund / Exchange Fund maintained by the Plaintiff as pay-in obligation had not been performed by the defaulting members. However, as the trading system does not allow the Plaintiff to settle any position when there is a shortage in Buyer Member's Account, it was necessary to give temporary credit (pro forma) in the defaulter member's account, which was done in Defendant No. 1's account, and same was reversed post the activity. Such entry is reflected in the ledger account of Defendant No. 1 on 8th August, 2013. It is therefore pertinent to note that the credit entry on 8th August, 2013 is only a proforma entry and such amount was not actually paid by Defendant No. 1.

mm. It is further pertinent to note that there are many contra entries in the Ledger Account of Defendant No. 1 exactly for the same amounts. These are for various reasons and reflected across the board in all Member Accounts due to re-generation of obligations. In any case, these entries have no effect on the actual position since these are contra entries. Hereto annexed and marked Exhibit "R" and Exhibit "S" are copies of the notes in tabular form explaining each Ledger Entry backwards from 13th September 2013 until 30th July 2013, and each Ledger Entry from 6th December 2013 until 9th January 2013 in all three sub-ledgers i.e.

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Initial Margin A/c, Member's Daily Obligations A/c and Member's Delivery Obligations A/c of the Defendant No.1.

nn. As seen from the ledgers of Defendant No. 1 annexed hereto, the total sum of Rs. 5,750,834,847.33/- (Rupees Five Hundred and Seventy Five Crores Eight Lakhs Thirty Four Thousand Eight Hundred and Forty Seven and Thirty Three Paise Only) is due and outstanding by the Defendant Nos. 1 on and from 9th August 2013. The said sum is arrived at after considering credit balance of Rs. 1,147,171,356.00/- towards the Initial Margin as on 31/07/2013 and debit balance of Rs. 1,470,282.30/- being the debit balance of Member Daily Obligation Account as on 02/08/2013. The Plaintiff states that the principal amount mentioned in the ledger as amount due and payable as on 9th August 2013 has now stood further reduced to Rs. 5,453,834,847.33/- , (Rupees Five Forty Five Crores Thirty Eight Lakh Thirty Four Thousand Eight Hundred Forty Seven and Thirty Three Paise Only) as noted hereinabove. The Plaintiff further states that this principal amount together with the interest at the rate of 18% per annum from 15th August 2013 (the date on which the amount became due and payable) is Rs. 6,908,200,000.00/- (Rupees Six Hundred and Ninety Crores and Eighty Two Lakhs Only), as more particularly detailed in Particulars of Claim contained in Exhibit "T" hereto.

oo. As aforesaid, the Plaintiff says that the Defendant No. 1 has made several part payments towards its outstanding liability, aggregating to Rs. 297,000,000.00/-. Therefore the total principal sum of money outstanding and payable by the Defendant No. 1, to the Plaintiff stood reduced from Rs. 5,750,834,847.33/- (Rupees Five Hundred and Seventy Five Crores Eight Lakhs Thirty Four Thousand Eight Hundred and Forty Seven and Thirty Three Paise Only) to Rs. 5,453,834,847.33/- , (Rupees Five Forty Five Crores Thirty Eight Lakh Thirty Four Thousand Eight Hundred Forty Seven and Thirty Three Paise Only) . The

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Plaintiff states that this principal sum together with interest payable at 18% per annum from 15th August 2013 till the date of filing of suit is Rs. 6,908,200,000.00/- (Rupees Six Hundred and Ninety Crores and Eighty Two Lakhs Only) as more particularly described in the Particulars of Claim contained in Exhibit T hereto.

pp. In August 2013, post suspension of trading on the exchange platform, the Plaintiff appointed an independent agency namely, SGS India Pvt. Ltd. ("SGS"), to survey the stocks at various warehouses including the said warehouse/property which was in control of Defendant No. 1, with the object of verifying the quantity of goods deposited by each member. On 6th and 7th September, 2013, the SGS team visited the premises situated at *Khasra Nos. 106/319, 106/251, 106/255, 106/99, 106/102 & 103, Kherakalan, Delhi and Khasra No. 398/2, Village Hameedpur, Delhi 110 036* respectively to conduct an audit, however, they were prevented by the Defendant No. 1 and its management from entering its warehouses and conducting the audit. The Plaintiff verily believes that the Defendant Nos. 1 to 12 have used/disbursed and will continue to use/disburse the various commodities at the said warehouse, for their own personal gains, contrary to its obligations under the contracts, and adverse to the legal rights of the Plaintiff. It is important to mention here that Defendant Nos. 1 and 2 are obliged to satisfy the Plaintiff that they are in possession of the physical commodities and they are obliged to deliver as per the obligations undertaken in the sale contracts executed by them. Hereto annexed and marked as Exhibit - "U" are the copies of the SGS Reports dated 6th and 7th September 2013.

qq. In light thereof, the Plaintiff called upon Defendant No. 1 to make the payment as due and payable for the said Outstanding Trades undertaken by them on the Plaintiff Exchange because the settlement period came to an end and the trades were required to be settled vis-à-vis the various buyers and/or sellers.

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- rr. The Plaintiff states that on closure of trading on the Exchange, as per the Bye-laws, the Plaintiff was required to settle all the trades by a method of pay-in and/or pay-out or, by an actual delivery of the commodities traded to the various buyers. The Plaintiff states that the Plaintiff, being an Exchange, is a facilitator of the various trades effected and is, therefore, responsible for closing the trades as per the relevant Bye-laws and Rules of the Plaintiff Exchange.
- ss. The Plaintiff states, therefore, that in view of the above, the Defendant No. 1 was liable to pay the outstanding amount (with interest) in respect of the said Outstanding Trades, to the Plaintiff. The Plaintiff states that the Plaintiff was entitled to receive and recover the amount under the bye-laws, rules and the contracts, as facilitator of the trades which were executed on the Plaintiff Exchange. The Plaintiff states that the commodities brought in by the Defendant No. 1, if any and if available, in the exchange designated warehouses, are liable to be auctioned in accordance with the relevant Bye-laws and Rules, of the Plaintiff Exchange and the proceeds applied towards Defendant No. 1's liability. In the event that Defendant No. 1 have not deposited the commodities sold by it under its sale contracts and / or surreptitiously removed / used or disbursed the said commodities from the said warehouses on its own accord, contrary to its obligation under the contracts, they are liable to make good the loss thereof to the Plaintiff exchange.
- tt. The Plaintiff states that the Exchange tried to amicably resolve the disputes between the various trading members and the buyers on the Exchange. The Plaintiff states that a meeting was convened in the presence of a representative of the Government (through the Forward Market Commission) and an Agreement was arrived at under which Defendant No. 1 agreed to make payment of the then outstanding amount of approximately Rs. 625 crores (which was subject to reconciliation) in 20 weekly instalments. The Defendant No. 1 issued letter dated 1st August 2013 whereby they expressly acknowledged their unconditional and absolute liability towards the Plaintiff and promised to make

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payment. Hereto annexed and marked as Exhibit "V" is a copy of the Letter dated 1st August 2013. The Defendant No. 1, however, failed to adhere thereto and defaulted on the said payments and failed and neglected to perform their obligations towards the Plaintiff.

uu. The Defendant No. 1, on 1st November 2013, made a part payment of a sum of only Rs. 6,00,00,000/- (Rupees Six Crores only) towards its outstanding liability at that point in time. The Defendant No. 1 has made several part payments till 24th November 2014, aggregating to Rs. 297,000,000.00/- (Rupees Twenty Nine Crores Seventy Lakhs Only). It is pertinent to note that these payments were made without receiving the delivery of any commodities from the Plaintiff Exchange.

vv. The Plaintiff states that the Defendant No. 1 failed to make the payment and on such default in payment of the instalment amounts, the Plaintiff has, in accordance with the relevant Bye-laws and Rules of the Plaintiff Exchange, taken further steps to declare Defendant No. 1 and other similarly placed trading members as defaulters ("Defaulter Trading Members").

ww. Since it became apparent to the Plaintiff that the Defendant No. 1 had no intention of honouring their obligations towards the Plaintiff Exchange and thereby to the various buyers, on 28th August 2013, the Plaintiff issued a default notice to Defendant No. 1 calling upon them to make payment of the admitted outstanding amount. Hereto annexed and marked as Exhibit "W" is the copy of the said default notice.

xx. The Plaintiff states that, despite receipt of the said notice by the Defendant No. 1, the Defendant No. 1 failed to make any further payment of the outstanding amounts due to the Plaintiff in pursuance of the said Outstanding Trades.

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yy. Since the Defendant No. 1 was disagreeing on the amounts owed to the Plaintiff, the parties initiated a conciliation process under the Arbitration and Conciliation Act, 1996 and appointed a Conciliator. Pursuant thereto, the Conciliator assisted the parties to formulate terms of a possible settlement and a Settlement Agreement came to be drawn up, whereby the Defendant No. 1, alongwith its related entities who were also trading on the Plaintiff Exchange, agreed that they would pay an amount of Rs. 771 crores in full and final satisfaction of the claim by Plaintiff against Defendant No. 1 and the other Trading Member (i.e. Tavishi Enterprises Private Limited – i.e. against the total outstanding amount of Rs. 992 crores) who is related entities of Defendant No. 1, as on that date and the Plaintiff agreed to the same, subject to the various conditions enumerated in the Settlement Agreement. The Settlement Amount of Rs. 771 crores was agreed to be paid by the Defendant No. 1 and its related entities (i.e. Tavishi Enterprises Private Limited and Brinda Commodities Private Limited) in the following manner:

- (i) Rs. 11 crores simultaneous to the execution of the Settlement Agreement;
- (ii) Rs. 725 crores was to be paid in 12 monthly tranches starting on 2nd December 2013 and ending on 31st October 2014, with no extensions permissible for payment of the first 5 monthly tranches, a maximum extension of 15 days being permissible for payment of the 6th to 11th tranches and an aggregate maximum extension of 60 days being permissible for the last two tranches; &
- (iii) Rs. 35 crores by way of an assignment in the Plaintiff's favour of a debt of Rs. 35 crores owed by Mr. S.R. Bhalotia to the Defendants No. 1 and related entities, and in respect of which the Defendant No. 1 and related entities agreed to execute a assignment deed and do other corollary acts to ensure a valid and binding assignment and enable the Plaintiff to legally and contractually be in a position to recover the debt from Mr. Bhalotia.

Additionally, in case of a default by the Defendant Nos. 1 and related entities to pay the amount of the first payment of Rs. 11 crores, the Plaintiff was to become entitled to receive a sum of Rs. 150 crores as damages from the Defendant No. 1

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and related entities and in case of a default in payment of the second payment of Rs. 59 crores, the Plaintiff was to become entitled to forfeit the sum of Rs. 11 crores and receive a sum of Rs. 139 crores as damages from the Defendant No. 1 and related entities. Also as per the terms of the Settlement Agreement, if the Defendants fail to pay the amounts in accordance with the details mentioned therein then and in such an event the Plaintiff would be entitled to recover the entire amount of Rs. 922 crores from Defendant No 1 and its other Trading cum Clearing entity i.e. Tavishi Enterprises Private Limited and Brinda Commodities Private Limited). That apart, the Defendant Nos. 3 and 4 expressly agreed and guaranteed that they would be personally liable, jointly and severally, to pay the amounts agreed under the Settlement Agreement to the Plaintiff in their individual capacity and also agreed that their personal properties could be utilized to recover the payments in case of any defaults. Moreover, the Defendants No. 13 to 17 agreed, in terms of the Settlement Agreement, that they would simultaneously create a mortgage by way of deposit of title deeds in the Plaintiff's favour in respect of the properties listed in Clause 2.3.1 thereof and also execute such other documentation as would be necessary for the Plaintiff to be able to own, sell, transfer and alienate the said properties at its own discretion. Hereto annexed and marked as Exhibit "X" is a copy of the said Settlement Agreement.

zz. Pursuant to the execution of the Settlement Agreement, the Defendant No. 1 committed a default in payment of the very first monthly tranche of Rs. 59 crores and failed to pay the same, or any part thereof, before the due date of 2nd December 2013 and has, in fact, failed to pay the same till date inasmuch as it has only paid a sum of about Rs. 29.70 crores over a period of 12 months after the passing of the original due date. The Defendant No. 1 have also failed to pay the other monthly tranches as agreed. Accordingly, in terms of the Settlement Agreement, a material breach has taken place and the Plaintiff has stood entitled to forfeit the first payment and recover damages of Rs. 86.69 crores from the Defendant No. 1 (being the pro-rata amount due and payable by Defendant No.

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1 out of Rs 139 crores being the amount towards damages as agreed under Settlement Agreement less any payments received thereafter till date. The same is subject to approval of the FMC, in view of certain orders passed in Writ Petition No. 289 of 2014, by this Hon'ble Court. Accordingly, on 7 November 2013 a letter was addressed by NSEL to FMC enclosing a copy of Settlement Agreement entered into between NSEL and Mohan India Group. Subsequently, on 28 November 2013 the FMC addressed a letter to NSEL, raising certain queries regarding the Settlement Agreement, which were answered by NSEL vide its letter dated 10 January 2014. Thereafter, on 11 April 2014 the FMC addressed a letter to NSEL, refusing to grant its approval to the Settlement Agreement. Hereto annexed and marked as Exhibit Y, Z, AA and BB are the said letters dated 7 November 2014, 28 November 2014, 10 January 2014 and 11 April 2014 respectively.

aaa. The Defendant No. 1 have acted upon the Settlement Agreement, received benefits thereunder and have caused the Plaintiff to also act thereupon. In fact, the Defendant No. 1 relied upon the Settlement Agreement and filed Miscellaneous Application Nos. 98 of 2013, 107 of 2013 and 33 of 2014 and have sought various reliefs from the Hon'ble Special MPID Court at Mumbai on the basis thereof, and have been granted various reliefs by that Hon'ble Court., mainly a relief being that no coercive action should be taken against the directors of Defendant No 1. The Settlement Agreement is therefore binding on the Defendant No. 1 as also their directors and shareholders, and they are therefore estopped from disputing the same. The Plaintiff craves leave to refer to and rely upon the papers and proceedings of the said Applications, as and when produced.

bbb. In the premises, the Plaintiff states that Defendant No. 1 on behalf of its client the Defendant No. 2 have admittedly entered into contracts (the Outstanding Trades) and are liable to pay the outstanding amounts of Rs. 5,453,834,847.33/- , (Rupees Five Forty Five Crores Thirty Eight Lakh Thirty Four Thousand Eight

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Hundred Forty Seven and Thirty Three Paise Only) that have fallen due thereunder, along with interest thereon at 18% per annum from the due dates until payment and/ or realization thereof. Clearly, the Defendant Nos. 1 and 2 have acted upon the Outstanding Trades, received benefits thereunder and caused the Plaintiff Exchange (as also the various counterparty buyers) to act in furtherance of the Outstanding Trades, and the same are therefore hindung upon the Defendant Nos. 1 and 2, and they are estopped from disputing the same and/ or its liability thereunder. The Outstanding Trades were entered into by the Defendant No. 1 for itself and for the Defendant No. 2. Defendant No. 1 is personally liable to the Plaintiff thereunder. Defendant No. 4 is also liable to the Plaintiff as it has received benefit thereunder and is bound to perform the reciprocal part of the obligation. Hence, Defendant Nos. 1 and 2 are all liable for the Suit claim. The Defendant Nos. 3 to 10 are the Directors and shareholders of Defendant No. 1 and 2 and are in charge of and responsible for the affairs of the Defendant Nos. 1 and 2, and as such, they are also liable to jointly and/ or severally pay the amounts due from the Defendant Nos. 1 and 2 to the various counterparty investors under the Outstanding Trades. Furthermore, the Defendant Nos. 1 to 12 in collusion with the erstwhile Managing Director of the Plaintiff and some of the managerial staff who directly reported to him have orchestrated and played a fraud on the Plaintiff and the counterparties to the Outstanding Trades by seeking to represent to and assure them that the commodities sold thereunder had been duly deposited in the warehouses designated by the Plaintiff, which representations were false to their own knowledge and which were deliberate and with an intent to defraud the Plaintiff and the counterparties, and have thereby caused the counterparties to the Outstanding Trades to part with their monies and enter into the Outstanding Trades on the basis of such fraudulent representations and assurances, and this is patently evident on account of the fact that the inspection of the designated warehouses (wherein the Defendant No. 1 ought to have placed the commodities under their sale contracts) has clearly demonstrated that the requisite amount of commodities required to be deposited therein have not been deposited at all and

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is in fact not available and therefore are not available to the Plaintiff Exchange for the purpose of delivery to the buyer or sale and realization of the amounts due from the Defendant Nos. 1 and 2 under the Outstanding Trades, and these Defendants are for this reason liable to pay the amounts payable under the Outstanding Trades. In any event, the Plaintiff is entitled to recover a sum of Rs. Rs. 480.83 crores being the Amount due and payable by Defendant No. 1 and as also from the 3rd and 4th Defendants who have personally guaranteed due payment thereof, plus a sum of Rs. 139 crores as and by way of damages that are stipulated as payable under the Settlement Agreement consequent to the Defendant No. 1's breaches thereof and defaults thereunder. The Plaintiff is also entitled to seek enforcement of the obligations undertaken by the 13th to 16th Defendants to secure its claim as per the provisions of the Settlement Agreement entered into between the parties.

ccc. The Plaintiff states that when the independent auditors SGS appointed by the Plaintiff visited the concerned warehouses on 6th and 7th September 2013, it became clear that the Defendant No. 1 had either not brought in or has surreptitiously disposed of or shifted the said commodities, resulting in a breach of Defendant No. 1's obligations towards the Plaintiff and also towards making the commodities available to the buyer or to compensate them by refunding with interest the amount received by them. The Plaintiff says that the Defendant No. 1 is in default of a huge amount of money which is due to various investors. The Plaintiff states that the Plaintiff has a right in its own capacity as well as a responsibility to recover the aforesaid outstanding amount of Rs. 6,908,200,000.00/- (Rupees Six Hundred and Ninety Crores and Eighty Two Lakhs Only) from Defendant No. 1 (and also from Defendant Nos. 3 to 10 and 13 to 17) by taking all steps necessary including but not limited to adjustment of the margin amount deposited by Defendant No. 1 with the Plaintiff Exchange, by taking possession of the stock of commodities, by taking over the collateral securities of Defendant No. 1 and by adopting appropriate legal proceedings for attachment and sale of the assets/properties of Defendant No. 1. The Plaintiff has

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marked and annexed a list of the various assets/properties of Defendant No. 1 as Exhibit "CC" to the present Suit.

12. As mentioned hereinabove, the inspection reports filed by SGS clearly establish that the Defendant No. 1 has either failed to deposit or has surreptitiously removed the commodities from the designated warehouses. The Plaintiff therefore submits that, it is apprehended that the Defendant No. 1 did not store the required goods in the warehouses. In this regard, it is imperative that the Defendant Nos. 1 and 2 furnish before this Hon'ble Court, their respective financial statements and Income Tax returns and sales tax, and VAT returns for the period during which they traded on the Plaintiff's Exchange platform to ascertain / identify as to how the Defendant Nos. 1 and 2 treated these transactions for the sale / purchase of the commodities on the Plaintiff Exchange's Platform.
13. The Plaintiff submits that the aforesaid facts clearly demonstrate the lack of bona fides on the part of Defendant Nos. 1 and 2. The Plaintiff states that if immediate steps are not taken to secure the claim of the Plaintiff, the Defendant Nos. 1 and 2 will take all available/possible steps to ensure that the same is defeated. The Plaintiff submits that Defendant Nos. 1 and 2 having already disposed of/siphoned off/shifted the commodities located in the said warehouse/property, have committed a grave breach of trust and the Defendant No. 1 have wilfully defaulted on their obligations towards the Plaintiff Exchange as well as to the various buyers who have traded with them through the Plaintiff Exchange. The Defendant No. 1 has traded on their own behalf and on behalf of Defendant No. 2 who have siphoned off the amounts received by them from the Plaintiff Exchange on account of the trading done. The Plaintiff states that on account of the failure to maintain goods / pay the outstanding amounts as required, the Economic Offences Wing of the Mumbai Police have arrested Defendant No. 4 holding him responsible for the defaults created on the Plaintiff Exchange by Defendant Nos. 1 and 2. It is pertinent to mention that the investigating authorities namely Economic Offences Wing and Enforcement Directorate have stated in various

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newspaper articles that Defendant Nos. 1 and 2 have siphoned off the aforesaid amounts and utilized the same towards buying real estate. In view of the above, the Plaintiff apprehends that, the Defendant No. 1 and 2 in connivance with Defendant Nos. 3 to 10, will deal with the assets in their control and possession and therefore exhaust the monies and / or their assets in such manner to defeat the claim of the Plaintiff's Exchange. The Defendant Nos. 3 to 10, as Directors / Shareholders / Company Secretary, are in effective control of Defendant Nos. 1 and 2 and are therefore in charge of the day to day affairs of the Defendant Nos. 1 and 2. It is submitted that the enquiry by the EOW clearly indicates that the persons in charge of Defendant Nos. 1 and 2 have utilized the monies for their own ulterior motives thereby seeking to defeat and defraud the claim of the Plaintiff.

14. It is submitted that in light of this fact a clear case for protection of the Plaintiff's interest and monies siphoned off by Defendant Nos. 1 and 2 is made out, particularly in light of the various news reports / statements made by the officers of the EOW investigating the matter. Hereto annexed and marked as Exhibit "DD" and "EE" are the copies of the said newspaper articles. The Plaintiff therefore submit that it is necessary, expedient and in the interest of the public as well as in the interest of justice that this Hon'ble Court be pleased to pass the necessary orders/directions to secure the claim of the Plaintiff by restraining Defendant Nos. 1 to 10 from disposing of, alienating, encumbering, parting with possession and / or otherwise creating third party rights in respect of its assets, both movable and immovable, details of which are contained in Exhibit CC hereto.
15. As regards, the accounts of Defendant Nos. 1 and 2 in the aforesaid Banks as detailed in paragraph 7 (d) hereinabove are concerned, the Plaintiff submits that Defendant Nos. 1 and 2 have traded on the Plaintiff Exchange through the accounts held with these Banks. The Plaintiff states that, pursuant thereto, the Plaintiff apprehends that the monies received by Defendant No. 1 on account of the defaults committed by the

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them are being siphoned from the said accounts to some other accounts held by Defendant No. 1 and 2.

16. Admittedly the Defendant Nos. 1 and 2 hold accounts with the banks as mentioned in paragraph 7 (d) hereinabove and these accounts have received monies from the Defendant Nos. 1 and 2. Given the background and the facts mentioned hereinabove it is imperative, therefore, that the Defendant Nos. 1 and 2 be directed to: (1) disclose to this Hon'ble Court, the details of the accounts including the details of the funds debited and credited by them, in order to facilitate and understand the tracing of funds deposited or withdrawn by Defendant Nos. 1 and 2 for the period during which they traded on the Plaintiff's Exchange platform; and (2) issue an injunction / direction / order restraining the Defendant Nos. 1 and 2 from altering / changing / permitting any transfer/encumbrance in respect of its shares/capital structure. The Plaintiff submits that this is of utmost importance as the funds deposited in these accounts were on account of the trading done on the Plaintiff Exchange.

17. The Plaintiff states that Defendant Nos. 11 and 12, being the Auditors of Defendant Nos. 1 and 2 are equally responsible for defaults created by Defendant Nos. 1 and 2 on Plaintiff Exchange. The said Defendant Nos. 11 and 12 by misusing their position and misleading the Plaintiff by suppressing information from them, colluded and conspired with Defendant Nos. 1 and 2 by certifying false information regarding sufficiency of goods at the warehouses of Defendant Nos. 1 and 2, for their own personal gains and unjustly enriched themselves at the expense of a large number of counterparties to the trades carried out by Defendant Nos. 1 and 2 as more particularly set out hereinabove. Defendant Nos. 11 and 12 for the purpose of carrying out the audit were also to survey the stocks at the warehouses in control of Defendant Nos. 1 and 2 and to verify the quantum of goods available at the said warehouse of Defendant Nos. 1 and 2 which was deposited by Defendant No. 1 and also issue reports about sufficiency of goods at the said warehouse against the trades they had entered into on the Plaintiff Exchange. The Defendant Nos. 1 and 2 in connivance with the Defendant

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Nos. 11 and 12 used the various commodities at the said warehouse, for their own personal gains, and to the exclusion of the legal rights of the Plaintiff and the Defendant Nos. 11 and 12 suppressed this fact and instead assured through their audits that there were sufficient amount of goods available at the warehouse of Defendant Nos. 1 and 2. The Plaintiff submits that therefore, this Hon'ble Court be pleased to direct by an order of injunction directing Defendant Nos. 11 and 12 to produce documents including copies of all the audit reports issued by them from time to time relating to the transactions of Defendant Nos. 1 and 2 and therefore the Plaintiff prays that appropriate action be taken against Defendant Nos. 11 and 12.

18. The Plaintiff further states that the Plaintiffs have filed complaints against the various defaulting Trading Members with the Economic Offences Wing of the Mumbai Police, on account of their failure to maintain goods at the said designated warehouses as required, the Economic Offences Wing of the Mumbai Police. The Plaintiff states that, one Mr. Pankaj Saraf has also filed a complaint with the Economic Offences Wing and on the said complaint, Economic Offences Wing has filed an FIR bearing No. 89 of 2013 on 30th September 2013.
19. The Plaintiff states that Defendant Nos. 3 to 10 have clearly benefited from the defaults that have occurred on the exchange platform. The Plaintiff states that the Defendant Nos. 3 to 10 as shareholders and directors of Defendant Nos. 1 and 2 have benefited from the monies deposited in the Bank Accounts of Defendant Nos. 1 and 2. Without prejudice to the above, the Plaintiff states that the Defendant Nos. 1 and 2 are in fact simply vehicles to perpetuate the illegalities which were conceived by Defendant Nos. 3 to 10 and which illegalities were for the sole benefit of Defendant Nos. 3 to 10.
20. The Plaintiff states that pursuant the investigation being carried out by the EOW in EOW CR No. 89/13 U/Sec 465, 467, 468, 471, 474, 477(A), 120(B) IPC (PS MRA

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Marg CR No. 216/13) (being FIR No. 216/2013 registered at MRA Marg Police Station), the properties of the Defendant No. 1 were attached.

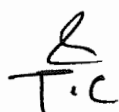
21. Pursuant to the said defaults committed by the said defaulting members including Defendant No. 1, various Civil as well as Criminal proceedings have been filed by and against the Plaintiff in which various investigating agencies are involved. In view of the above, one of the investigating agencies, in order to secure the amount due and payable by Defendant No. 1, have attached certain properties owned by Defendant No. 1, their Directors and other concerned parties.
22. Without Prejudice to the right of the Plaintiff to challenge the applicability of the MPID Act, the Plaintiff also apprehends and verily believes that the properties attached by the EOW have been purchased utilizing the monies received by the said Defendant Nos. 3 to 10 through Defendant Nos. 1 and 2, while trading on the Plaintiff Exchange. The Plaintiff states that these monies are in fact payable to the various trading members whose contracts currently stand outstanding and towards whose claim the Plaintiff has instituted various proceedings in its capacity as the facilitator and legal counter party to the trades. The Plaintiff states that Defendant Nos. 1 to 10 may sell, dispose of or create third party rights, further encumber, or create a mortgage / charge on the said immovable properties or assets in possession and control of Defendant Nos. 3 to 10, which properties are owned by the monies received from the defaults committed on the Exchange.
23. The Plaintiff states that if the said properties or assets in possession and control of the Defendant Nos. 3 to 10 are sold or transferred or the possession is handed over, the same would affect the rights of the investors, whose interests are vested in the said properties / assets as these properties / assets were ostensibly acquired by Defendant

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Nos. 1 and 2 using the monies received by them on account of trading on the Plaintiff exchange and which monies are liable to be repaid towards the outstanding trades.

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24. The Plaintiff states that similarly if the properties or assets belonging to and in the possession of the Defendant Nos. 13 to 17 (*which are/ were to be mortgaged by them in the Plaintiff's favour, pursuant to the Settlement Agreement*) are sold or transferred or the possession is handed over, the same would affect the rights of the Plaintiff and the investors, whose interests are vested in the said properties / assets as these properties / assets were expressly provided/ to be provided to secure the payment of the Settlement Amount under the Settlement Agreement.
25. The Plaintiff states that it is also pertinent to note that pursuant to the investigation carried out by the EOW, Defendant No. 18 has admitted before the EOW that Defendant No.1 has indirectly invested an amount of Rs. 10 Crore in the project developed by Defendant No. 18 in Karnal and has also admitted that the said amount is belonging to the investors and the said amount is received from the trading done by the Defendant No. 1 on the Plaintiff Exchange. The Plaintiff states that vide an agreement dated 10th December 2013 ('**Primezone Agreement**') entered into between the Plaintiff and the Defendant No. 18 whereby the Defendant No. 18 has admitted that Defendant No.1 alongwith various other Defaulting Members has indirectly invested an amount totaling to Rs. 42.77 Crores in the project developed by Defendant No. 18. The said agreement further recorded that the amount of Rs. 42.77 Crores would be deposited in the escrow account of the Plaintiff for distributing the same to the investors through due process of law. Hereto annexed and marked as Exhibit - "FF" is the copy of the said Agreement dated 10th December 2013.
26. Pursuant thereto, Defendant No. 18 through its Director Mr Ranjeev Agrawal has agreed to pay the aforesaid amounts to the Plaintiffs in eight instalments more particularly stated in Clause 2 of the said Primezone Agreement dated 10th December 2013. As per the said payment schedule under Clause 2 of the Primezone Agreement, the Defendant No. 18 was required to pay the entire amount of Rs 42.77 crores by 15th June 2014. However, the Defendant No.18 has made a payment of only Rs. 1.9 crores


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(Rupees One Crore and Nine Lakhs Only) against Rs. 42.77 crores (Rupees forty two Crores seventy seven lakhs only) which Defendant No.18 was required to pay till 15th June 2014, thereby not adhering to the agreed payment schedule and committing breach of said Agreement. In view thereof, the Plaintiff is entitled to call upon the Defendant No. 18 to forthwith pay the amount of Rs.40.87 crores (Rupees forty crores eighty seven lakhs Only). Given the background and the facts mentioned hereinabove and more particularly the fact that the Defendant No.18 despite admitting to make payments had committed breach of the Primezone Agreement by not making payment within agreed timelines, the Plaintiff apprehends that Defendant No. 18 is likely to indulge in such acts with the sole intent to defeat the claim of the Plaintiff against Defendant No.18. In light of the same it is imperative, that the Defendant No. 18 be directed to pay to the Plaintiff a sum of Rs.40.87 crores (Rupees forty crores eighty seven lakhs Only), along with interest thereon at 18% per annum from the due date of payment until payment and/ or realization thereof and pending hearing and disposal of the suit the Defendant No.18 be directed to (1) disclose to this Hon'ble Court, the details of the assets of Defendant No. 1; (2) restrain the Defendant No. 18 from dealing with, selling, transferring, alienating creating third party rights, in respect of and/or encumbering their assets which may be disclosed as in possession and/or control of Defendant No. 18; and (3) restrain the Defendant No. 18 from altering / changing / permitting any transfer/encumbrance in respect of its shares/capital structure. The Plaintiff submits that this is of utmost importance as the funds deposited with Defendant No. 18 were on account of the trading done on the Plaintiff Exchange.

27. The Plaintiff states that Defendant Nos. 1 and 2's conduct is blatantly dishonest and is committed with an intention to defraud the Plaintiff and various buyers *inter alia* by disposing of the various commodities which formed the basis for the said Outstanding Trades to defeat / delay the Plaintiff's Claim. The Plaintiff states that the aforesaid conduct on the part of Defendant Nos. 1 and 2 is with a view to defeat the claim of the Plaintiff which is required to be honoured and complied with for the purpose of discharging the liabilities owed to the investors who have undertaken trades on the

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Exchange. The Plaintiff states that there is a serious apprehension of Defendant Nos. 1 and 2 disposing of other assets in a similarly surreptitious manner as has been done with regard to the said commodities which were traded on the exchange and which commodities Defendant No. 1 was holding on behalf of the Plaintiff Exchange. The Plaintiff therefore submits that this is an imminently fit case to secure the claim of the Plaintiff by attachment of all the assets of Defendant Nos. 1 and 2 since the liabilities of these Defendant No. 1 and related entities, run into almost Rs. 900 crores and the acts of Defendant No. 1 are consistent with an intention to defeat and defraud the claim of the Plaintiff which is manifestly evident by their act of restricting inspection of the exchange designated warehouses wherein the said commodities which were traded on the Exchange platform are contained.

28. The Plaintiff submits that by the time the present Suit is finally heard and disposed of by this Hon'ble Court, there is every likelihood that, in the interim, the Defendants will re-structure their business and/ or dissipate/siphon off its assets. This will render any decree that may come to be passed in the Plaintiff's favour into a paper decree. Accordingly, the Plaintiff submits that, pending the hearing and final disposal of the present Suit, it would be just, convenient and necessary for this Hon'ble Court to grant interim measures of protection in the Plaintiff's favour.
29. The Plaintiff submits that there is grave urgency in the matter in as much as not only is the Defendant obstructing and preventing the Plaintiff from taking inspection and possession of the commodities in the said warehouse/property, but the Plaintiff verily believes that the Defendants are in the process of disposition of the various commodities located therein. Further, the Plaintiff verily believes that the Defendant Nos. 1 and 2, with a view to defeat the legitimate rights and claim of the Plaintiff Exchange as well as the various counterparties trading clients who have traded with the Defendants in the Outstanding Trades, will dispose of their various businesses/assets and their movable and immovable properties so as to take the same

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out of the reach of the Plaintiff Exchange. The Plaintiff submits that once these various businesses/assets are dissipated / siphoned off irretrievable injury will be caused both to the Plaintiff Exchange as well as to the various counterparty investors / trading clients. Accordingly, the Plaintiff submits that it is imperative that pending the hearing and final disposal of the present petition, the reliefs mentioned above be granted at the ad-interim stage itself.

30. The Plaintiff submits that if the aforesaid interim and ad-interim reliefs are not granted, it will suffer grave and irreparable harm, loss and injury incapable of being compensated in terms of money, in as much as they may never be able to recover amounts which are admittedly due and payable to them by the Defendants. The Plaintiff Exchange will also suffer grave and irreparable harm in so far as it will have tremendous difficulty in settling (with the various third party investors) the various outstanding Trades executed by the Defendants on the Plaintiff Exchange. It is therefore important that the interim and ad-interim reliefs as sought herein be granted to protect the interest of investors at large and to restore the confidence of market participants at large. On the other hand, if the said reliefs are granted, the Defendants will suffer no harm, loss or prejudice of any nature whatsoever in as much as an aggregate amount of Rs. 922.30 crores plus interest thereon at 18% per annum from the due date of payment until payment and/ or realization thereof, which is admittedly due and payable to the Plaintiff. The Plaintiff further submits that it has an excellent case on merits, considering the admitted liability of Defendants No. 1 to 12. The balance of convenience is therefore in favour of the ad-interim and interim reliefs being granted in the Plaintiff's favour.

31. The Plaintiff's Exchange Platform is situated in Mumbai and all trades have been and are executed on its platform situated in Mumbai, within the jurisdiction of this Hon'ble Court. The Claim in the Suit arises in relation to those transactions. The Defendant No. 1 applied for membership of the Plaintiff Exchange at Mumbai, attended an assessment interview at the Plaintiff's office in Mumbai, and provided various

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documents to the Plaintiff in support of and for the purpose of processing and acceptance of its membership application to the Plaintiff at its office in Mumbai. The Plaintiff scrutinized and approved the Defendant No. 1's membership application at its office in Mumbai, and issued all correspondence in respect thereof and the membership certificate from its office in Mumbai. The settlement and delivery in respect of the Outstanding Trades was required to take place in Mumbai (at the Plaintiff Exchange) also the amounts due and payable by the Defendant Nos. 1 and 2 under the Outstanding Trades were payable to the Plaintiff. Part payments were made by the Defendants under the Settlement Agreement in Mumbai, and received by the Plaintiff in Mumbai. The aforesaid material part cause of action for the present Suit has therefore arisen in Mumbai, within the jurisdiction of this Hon'ble Court. However some of the fraudulent acts were committed outside Mumbai and that part of the cause of action has arisen outside Mumbai. The Defendant Nos. 1 to 17 have their offices and carry on business in New Delhi. Furthermore, Clause 11.11 of the UIBT Undertaking executed by the Defendant No.1, specifically stipulates that *"...[i]n relation to any legal action or proceedings for any urgent, interlocutory or final orders, the parties irrevocably submit to the exclusive jurisdiction of the courts in Mumbai, and waive any objection to such proceedings on grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum or that the Services were used/accessed/availed in a different domestic/international territory"*. Moreover, Clause 7.10 of the Settlement Agreement specifically provides that *"all disputes arising from or in connection with this Settlement Agreement shall be submitted to the competent court of Mumbai"*. This Hon'ble Court will therefore have jurisdiction to entertain, try and decide the present Suit with leave granted to the Plaintiff under Clause XII of the Letters Patent, which the Plaintiff seeks.

32. It is pertinent to note here that an arbitration agreement exists only between the Plaintiff and Defendant No. 1 under the Bye-Laws of the Plaintiff exchange as well as under Clause 11.11 of the Undertaking for Online Trading executed by each of the Defendant No. 1. Similarly, arbitration agreements separately exist only between the

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Plaintiff and Defendant No. 1 under the Bye-Laws of the Plaintiff exchange as well as under Clause 11.11 of the Undertaking for Online Trading executed by the Defendant No. 1. However, in light of the execution of the Settlement Agreement which does not contain an arbitration clause but in fact contains a clause conferring exclusive jurisdiction in respect thereof on the courts at Mumbai, coupled with the fact that the cause of action for the present Suit is beyond the scope of the arbitration agreements and is also based on the Settlement Agreement and various reliefs are being sought jointly against the various defendants (*most of whom are not parties to the arbitration agreements*), the Plaintiff is constrained to file the present Suit and approach this Hon'ble Court as the subject matter of this suit and the claims therein cannot be referred to arbitration. In fact the Plaintiff had filed Arbitration Petition No. 23 of 2014 against the Defendant No. 1 seeking certain reliefs under Section 9 of the Arbitration and Conciliation Act. However, in light of the various facts that have unravelled and set out hereinabove, indicating the collusive and fraudulent conduct of Defendant No. 1 to 12 as also the execution of the Settlement Agreement, the said Petition was withdrawn with express liberty to file the present suit. Hereto annexed and marked as Exhibit - "GG" is a copy of the Order dated 8 October 2014.

33. The cause of action for the present Suit first arose in August 2013 when the Defendant No. 1 failed to honour its payment obligations in respect of the Outstanding Trades and when the fraud played by the 1st to 12th Defendants in collusion with the erstwhile Managing Director of the Plaintiff and some of the managerial staff who directly reported to him upon the Plaintiff and the counterparties to the Outstanding Trades came to the knowledge of the Plaintiff for the first time. This was actually concealed from the Plaintiff who despite due-diligence could not discover the same prior thereto. The fact giving rise to the Plaintiff's right to sue came to their knowledge for the first time only in August 2013. The cause of action for the present Suit arose again when the Defendant No. 1, 3, 4 and 13 to 17 defaulted in their obligations under the Settlement Agreement for the first time in December 2013 and have continued to

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default thereafter, and the cause of action continues to arise upon every such default.
The Suit is therefore in time.

34. The Plaintiff's claim in the present Suit is valued at Rs. 5,453,834,847.33/- and the Plaintiff has accordingly paid the maximum ad-valorem court fees of Rs. 3,00,000/- in respect thereof.

35. One Santosh Dhuri, Senior Executive of the Plaintiff, who is aware of and able to depose to the facts of the case and competent to do so, has signed and declared the Plaintiff.

36. The Plaintiff shall rely on documents, a list whereof is annexed hereto.

37. THE PLAINTIFF, THEREFORE PRAYS -

a. that the Defendant Nos. 1 to 10 and 13 to 17 be jointly and/ or severally ordered and decreed to pay to the Plaintiff a sum of Rs. 6,908,200,000.00/- (Rupees Six Hundred and Ninety Crores and Eighty Two Lakhs Only) being the said suit amount), along with interest thereon at 18% per annum from the date of filing of the suit until payment and/ or realization thereof, as per the Plaintiff's Particulars of Claim contained in Exhibit T hereto;

b. that the Defendant No. 18 be ordered and decreed to pay to the Plaintiff a sum of Rs. 40.87crores (Rupees Forty crores eighty seven lakhs Only), along with interest thereon at 18% per annum from the due date of payment until payment and/ or realization thereof, as per the said Primezone Agreement dated 10th December 2013 contained in Exhibit "FF" hereto;

c. without prejudice, to prayer clause (a) above, Defendant Nos. 1,3, 4 and 13 to 17, be ordered and decreed forthwith to pay the Plaintiff a sum of Rs.

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5,675,200,000.00/- (Rupees Five Hundred and Sixty Seven Crores and Fifty Two Lakhs Only) being the said admitted amount as agreed under the Settlement Agreement dated 30th October 2013, as admitted and stipulated under the Settlement Agreement, along with interest thereon at 18% per annum from 30th October 2013 until payment and/ or realization thereof, as per the Plaintiff's Particulars of Claim contained in Exhibit "T" hereto;

- d. that the Hon'ble Court be pleased to pass an Order declaring that the Defendant Nos. 11 and 12 have failed in their duties and obligations and have thereby actively participated in the fraud played on the Plaintiff, by the Defendant Nos. 1 to 10 and 13 to 17;
- e. that pending the hearing and final disposal of the Suit, Hon'ble Court be pleased to direct the Defendant Nos. 1 to 10 and 13 to 17 jointly and/ or severally secure an amount of Rs. 6,908,200,000.00/- (Rupees Six Hundred and Ninety Crores and Eighty Two Lakhs Only), along with interest thereon at 18% per annum from date of filing of Suit until payment of decretal amount by way of a bank guarantee or in such other manner as this Hon'ble Court may deem fit and proper;
- f. that pending the hearing and final disposal of the Suit, the Defendant Nos. 1 to 10 and 13 to 17 be directed and/ or enjoined from disposing of, alienating, encumbering, parting with possession of and / or otherwise creating third party rights in respect of its immovable and moveable properties and assets including those described and contained in Exhibit "CC" hereto;
- g. that pending the hearing and final disposal of the Suit, the Defendant Nos. 1, 2, 4, 15 and 15 to be directed and/ or enjoined from disposing of, alienating, encumbering, parting with possession of and / or otherwise creating third

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party rights in respect of its movable/immovable properties/assets including those described and contained in Exhibit "CC" hereto as known to the Plaintiffs;

- h. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to order and direct the Defendant Nos. 1 to 10 and 13 to 17 to disclose, on affidavit and within such time as this Hon'ble Court may deem fit and proper, all their movable and immovable assets, properties and assets including bank accounts with all details of funds debited and credited, for a minimum period of last 3 years;
- i. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to order and direct the Defendant No. 18 to disclose, on affidavit and within such time as this Hon'ble Court may deem fit and proper, all their movable and immovable assets;
- j. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to issue an injunction / direction / order restraining the Defendant Nos. 1 to 17 from disposing of, alienating, encumbering, parting with possession of and / or otherwise creating third party rights in respect of their movable and immovable assets as would be disclosed by the Defendant Nos. 1 to 10 and 13 to 17 in terms of prayer clause (h) above;
- k. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to issue an injunction / direction / order restraining the Defendant No. 18 from and in any manner dealing with, selling, transferring, alienating creating third party rights, in respect of the movable and immovable assets, properties and affects including bank accounts as maybe disclosed to this Hon'ble Court in accordance with prayer (h) above;

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1. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to issue an injunction / direction / order restraining the Defendant Nos. 1 and 2 from altering / changing / permitting any transfer/encumbrance in respect of its shares/capital structure;
- m. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to issue an injunction / direction / order restraining the Defendant No. 18 from altering / changing / permitting any transfer/encumbrance in respect of its shares/capital structure;
- n. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to issue an injunction / direction / order restraining the Defendant Nos. 1 to 10 and 13 to 17 from and in any manner dealing with the funds deposited by them in various Banks as maybe disclosed to this Hon'ble Court in accordance with prayer (h) above;
- o. An injunction restraining Defendant Nos. 1 to 10 and 13 to 17, their agents, representatives from dealing with, selling, transferring, alienating creating third party rights, in respect of and/or encumbering their movable/immovable properties/assets mortgaged/charged which may be disclosed as in possession and/or control of various Banks in any manner whatsoever;
- p. An order appointing the Court Receiver High Court, Bombay, with all powers under Order 40 Rule 1 of the Civil Procedure Code, of the assets of the Defendant Nos. 1, 2, 4, 14 and 15 as detailed in Exhibit "CC", including the power to take possession of the said warehouse/property as mentioned in Exhibit "CC" and of all the commodities contained therein and also with the power to the Court Receiver to sell the commodities and deposit the sale proceeds in this Hon'ble Court / make payment of the sale proceeds to the Plaintiff;

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- q. An order appointing the Court Receiver High Court, Bombay, with all powers under Order 40 Rule 1 of the Civil Procedure Code, of the assets of the Defendant Nos. 1 to 10 and 13 to 17 and such assets as may be disclosed and found including the power to take possession of the same and also with the power to the Court Receiver to sell the same and deposit the sale proceeds in this Hon'ble Court / make payment of the sale proceeds to the Plaintiff;
- r. An order appointing the Court Receiver High Court, Bombay, with all powers under Order 40 Rule 1 of the Civil Procedure Code, of the assets of the Defendant No. 18, including the power to take possession of the said assets as may be disclosed and also with the power to the Court Receiver to sell the assets and deposit the sale proceeds in this Hon'ble Court / make payment of the sale proceeds to the Plaintiff;
- s. an order appointing the Plaintiff as Agent of the receiver and permitting the Plaintiff to auction the various commodities as available in the said warehouse/property as mentioned in Exhibit "CC" and appropriate the amounts therefrom towards the said outstanding amount due from the Defendant Nos. 1 to 10 and 13 to 17 to the Plaintiff;
- t. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to order and direct the Defendant No. 1 to file within such time as this Hon'ble Court may deem fit and proper, their respective financial statements and Income Tax returns and sales tax, and VAT returns for the previous 3 financial years preceding the filing of the present Suit;
- u. An injunction directing Defendant Nos. 11 & 12 to produce/give inspection of documents including copies of all the audit reports relating to the transactions of Defendant No. 1 and direct appropriate action against Defendant Nos. 11 and 12;

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v. For interim and ad-interim reliefs in terms of clauses (a) to (t) above;

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w. For such further and other reliefs as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case; &

x. For the costs of the Suit.

Plaintiff

SD/-

Advocates for the Plaintiff

VERIFICATION

I, Mr. Santosh Dhuri, the authorized signatory of the Plaintiff, having my office at FT Towers, CTS No. 256 & 257, 4th Floor, Suren Road, Chakala, Andheri (East), Mumbai - 400 093 do hereby solemnly declare that whatever is stated in paragraphs of the foregoing petition has been stated by me on the basis of my personal knowledge and whatever stated in the remaining paragraph numbers is based on the information and advice that I believe to be true.

Solemnly affirmed at Mumbai)

this ²⁴ day of November 2014)

SD/-

Before me,

SD/-

Advocates for the Plaintiff

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

SUIT NO. (4) 1098 OF 2014

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National Spot Exchange Limited

] ... Plaintiffs

Versus

Tavishi Enterprises Pvt. Ltd. & Ors.

] ... Defendants

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
SUIT NO(4)1098 OF 2014

National Spot Exchange Limited] ...Plaintiff

Versus

Tavishi Enterprises Pvt. Ltd. & Ors.] ... Defendants

Office Notes.	Office Memorandum of Coram appearance.	Court's or Judge's
Court's Orders	or direction and Prothonotary's Orders.	Orders


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Office Notes. Office Memorandum of Coram appearance.	Court's or Judge's
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Office Notes.	Office Memorandum of Coram appearance.	Court's or Judge's
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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

SUIT NO. 61078 OF 2014

National Spot Exchange Limited

] ...Plaintiff

Versus

Tavishi Enterprises Pvt. Ltd. & Ors.

] ... Defendants

SYNOPSIS

<u>Sr. No.</u>	<u>Date</u>	<u>Event</u>
1.		The Plaintiff is a company incorporated under the Companies Act, 1956 and carries on business as a spot exchange providing for an electronic trading platform for spot contracts in commodities, having commenced live operations since October 2008.
2.	5/6/2007	Notification dated June 5, 2007, issued by the Ministry of Consumer Affairs, Food and Public Distribution, Government of India, expressly exempted the Plaintiff from the ambit of the Forward Contract (Regulation) Act, 1953, specifically Section 27. The Notification exempted all forward contracts of one day duration for the sale and purchase of commodities traded on the Exchange.
3.	5/6/2013	<p>Defendant No. 1 is a company incorporated under the Companies Act, 1956, and is a Trading cum Clearing Member on the Plaintiff Exchange, and, <i>inter alia</i>, trades in various commodities including Paddy for itself.</p> <p>Defendant Nos. 2 is a company incorporated under the Companies Act, 1956, and is a Trading cum Clearing Member on the Plaintiff Exchange, and, <i>inter alia</i>, trades in various commodities including Paddy for itself.</p> <p>The Defendant No. 1 and 2 are related / associated entities and are largely and substantially controlled by the same management and/or promoters. Defendant No. 1 and 2 became members of the Exchange pursuant to Membership Application executed by them. Pursuant to the same Defendant Nos. 1 and 2 commenced trading in T+2 and T+25 contracts on</p>

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		the Plaintiff Exchange in Sugar. The trades were executed in such a manner that the Defendant No. 2 would sell some quantity of sugar under a T+2 contract and the same quantity of sugar was purchased back by the Defendant No. 1, from the same buyer (who bought from Defendant No. 1).
4.		The Plaintiff states that the Defendant Nos. 1 and 2 are respectively executed at Mumbai an agreement with the Plaintiff Exchange to place on record the terms and conditions, representations, warranties, covenants and principles agreed between them for protecting the rights of the Plaintiff Exchange and the other members of Plaintiff Exchange.
5.		The Defendant Nos. 1 and 2 hold a Settlement Account Nos. 913020026991636 and 913020026991581 respectively with Axis Bank, Pitampurabranh, New Delhi for the purpose of facilitating settlement of their obligations in relation to trades carried out on behalf of their clients and/ or their its own behalf on the Plaintiff exchange platform.
6.		Trading on the Exchange took place on the basis of contracts permitted by the Plaintiff Exchange. By these contracts trading members were permitted to purchase and sell commodities on the Exchange platform in the manner and on the terms as specified in the contracts created. The contracts were indicated by the Exchange by circulars issued from time to time. Each circular would specify a commodity specific contract to enable the trading members to trade in that particular commodity.
7.		The Plaintiff permitted Defendant Nos. 1 and 2 to trade on its exchange platform in contracts of various commodities. All the trades conducted on the Plaintiff's Exchange platform were through the accounts, and a perusal of the said accounts would categorically demonstrate that the monies were received by Defendant Nos. 1 towards trades executed by it on the Plaintiff's Exchange platform. As will be demonstrated below, the monies due and payable by Defendant Nos. 1 to the Plaintiff as claimed herein arise entirely on account of such trades.
8.		Accordingly, the Plaintiff states that on 3 rd December 2012, two circulars bearing no. NSEL/ TRD/ 2012/ 216 and NSEL/TRD/2012/217 were issued by the Plaintiff introducing contracts for spot trading in Sugar M-30 Grade Trader's Ex- Delhi on T+2 and T+25 basis respectively. The circulars provide detailed contract specifications and the contracts which were / are

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		subject to the Plaintiff's Bye-laws, Rules and Regulations.
9.		The contracts traded on the Plaintiff Exchange specified a designated warehouse at which the underlying traded commodities were liable and required to be deposited by the seller/trading member. The commodities sold were required to be deposited at such designated warehouses at the time as specified in the contracts; for instance in a T+2 contract on the 2 nd business day, and in a T+25 contract on the 25 th business day. The selling member was bound to deposit in / deliver to the designated warehouse, the commodity contracted to be sold in physical form by actual deposit of the commodity.
10.		At the time when the commodities were deposited by the trading member who was selling the same in the exchange designated warehouse, the trading member who was buying the commodities had the option, in lieu of taking physical delivery thereof from the warehouse, to take constructive delivery of the said commodities. In the event that a trading member was selling the commodities on the basis of the warehouse receipt he would then surrender the same to the exchange and release his ownership over the goods leaving the buying trading member free to remove the commodities from the warehouse after settling the payment obligation in the respective settlement.
11.		The Defendant Nos. 1 and 2 are such defaulter Trading Members who have been trading in T+2contracts and T+25contracts since 6 th June 2013 in the manner as described hereinabove. The Defendant No. 2 would sell a particular quantity of Sugar under T+2contract on "T" day to an investor/buying trading member on its own behalf and simultaneously or immediately thereafter the Defendant No. 1 would enter into a corresponding T+25contract on the same day on its own behalf to buy the same quantity of Sugar as sold under the T+2contract by the Defendant No. 2 from the same purchasing investor/trading member
12.		The Defendant Nos. 1 and 2 executed T+2and T+25contracts in such a paired manner that the commodity sold by Defendant Nos. 2 on the Plaintiff Exchange on "T" day would be repurchased by the Defendant No.1 respectively from the same counter party on the same day and only the settlement dates would differ. As every contract created and trade executed on the exchange platform compulsorily required physical delivery

		<p>of the commodity in the exchange designated warehouse, and as short selling was specifically prohibited, the Defendant Nos. 2 was obliged to deposit commodities sold by it under the T+2 contract on the Plaintiff Exchange in the designated warehouse / property of the Plaintiff on T+2nd day. It was only upon the actual delivery of physical commodities that the Defendant Nos. 2 was entitled to receive the Pay-Out i.e. the amount payable to the Defendant Nos. 2 under the Obligation Report on T+2nd, after receipt of such amount from the Buying Member. On T+25th day, the Defendant No. 1 was obliged to make pay-in of the amount due and payable for the commodity repurchased by Defendant Nos. 1 under T+25 and take delivery of the commodity as repurchased, which was nothing but a return of the commodities that were to be deposited by the Defendant Nos. 2 at the time of settlement of the corresponding T+2 contract.</p>
13.		<p>In order to facilitate delivery under these contracts, the Plaintiff Exchange was to be put in constructive possession of the commodities traded by the Defendant Nos. 2 on the Exchange during the interregnum period, i.e. the period between culmination of the two contracts, T+2. To give effect to such arrangement, an Agreement dated 5 June 2013 <i>in respect of the following warehouses at Khasra Nos. 106/319, 106/251, 106/255, 106/99, 106/102 & 103, Kherakalan, Delhi and Khasra No. 398/2, Village Hameedpur, Delhi 110 036</i> was executed between the Plaintiff and a group company of Defendant No. 2 i.e. Mohan India Private . Ltd. by which the Plaintiff Exchange was supposed to acquire constructive possession of the warehouse/property (as described in the said Agreement), which was being utilized by the said group company of Defendant Nos. 2 to store the various commodities traded by them on the Plaintiff Exchange on their own behalf. It is pertinent to note that the said Agreement dated 5th June 2013 was executed for the limited purpose of facilitating constructive possession of the warehouses / properties with the Plaintiff Exchange and, in fact, the actual and physical control of the said warehouses/properties remained with the Defendant No. 2 at all times. The Defendant No. 2's liability to deliver the physical commodities under the T+2 contracts was, and remained, absolute in accordance with the Bye-laws and Rules of the Plaintiff Exchange and the Defendant Nos. 2 was not entitled to deal with the commodities in any manner whatsoever during the interregnum period i.e. the period between culmination of the two contracts T+2 and T+25.</p>

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14.		<p>The Clearing Bank Accounts of the Defendant Nos. 1 and 2 were opened in AxisBank, NewDelhi. The Defendant No. 1 deposited Initial Margin time to time which was credited to its account. As on 31st July 2013, the Defendant No. 1 had a credit balance of Rs. 15,14,99,946.26/- (Rupees Fifteen Crores fourteen Lakhs ninety nine Thousand nine hundred forty six and paise twenty six only in its Initial Margin Account. The Defendant No. 2 deposited Initial Margin time to time which was credited to its account. As on 31st July 2013, the Defendant No. 2 had a credit balance of Rs. 95,00,000/- (Rupees Ninety Five Lakhs Only) in its Initial Margin Account. The Defendant Nos. 2 issued commodity offer letters and VAT Invoices to the buyers in relation to the commodities sold by them on the Plaintiff Exchange under the T+2 contracts, clearly indicating that Defendant No. 1 had purchased commodities under the T+25 contracts and was obliged to deliver the commodities sold under the T+2 contracts to the designated warehouse of the Plaintiff Exchange.</p>
15.		<p>Similarly, on 11th June 2013, Defendant No. 2 on its own behalf sold Sugar M-30 Grade contract SM30DEL2 200 lots at the rate ranging from Rs. 3373/- to Rs. 3428/- per metric ton (i.e. per unit) under T+2 contract with settlement due date of 13th June 2013, aggregating to Rs. 6,74,70,000/- (Rupees Six Crores Seventy Four Lakhs Seventy Thousand only). At end of day on 11th June 2013, the Trade file was sent to Defendant No. 2 on File Transfer Protocol. At end of day on 11th June 2013, the Trade file was sent to Defendant No. 2 on File Transfer Protocol. On 13th June 2013 ("T+2"), the Plaintiff credited the ledger account (Member Delivery Obligation) of Defendant No. 2 by Rs. 6,74,70,000/- (Rupees Six Crores Seventy Four Lakhs Seventy Thousand only) being the pay-out amount to be paid by Plaintiff to Defendant No. 2 towards the quantity sold by Defendant No. 2 on 11th June 2013, upon receipt of such amount from the Buying Member. Subsequently, on the same date, the Plaintiff made payment of the Pay-Out Amount of Rs. 6,74,70,000/- (Rupees Six Crores Seventy Four Lakhs Seventy Thousand only) in the Clearing Bank Account of Defendant No. 2 and upon such payment, the Plaintiff debited the Ledger Account (Member Delivery Obligation) of Defendant No. 2. On the same day when the Defendant No. 2 sold Sugar M-30 Grade under the aforesaid T+2 contract i.e. on 11th June 2013, the Defendant No. 1 on its own behalf entered into a corresponding T+25 contract whereby Defendant</p>

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		<p>No. 1 purchased 200 quantity of Sugar M-30 Grade under contract SM30DEL25 at the rate of 3428.70 per metric ton (i.e. per unit) under T+25 contract, aggregating to Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only). On 11th June 2013, Trade file were sent respectively to Defendant No. 2 and Defendant No. 1 on File Transfer Protocol, containing T+2 and T+25 trades respectively. However, since this contract was T+25, the pay-in obligation of Defendant No. 1 for Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only) was due on 17th July 2013. Therefore, on 16th July 2013 (T+24), the Obligation report was generated by the Plaintiff Exchange and sent to Defendant No. 1, thereby setting out the Pay-In Obligation of Defendant No. 1 for the total quantity, total value and charges if any aggregating to Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only). It is pertinent to note here that the said amount is the amount of the Pay in obligation received on 17th July 2013, for the trades executed on 11th June 2013. The Plaintiff debited the ledger account (Member Delivery Obligation) of Defendant No. 1 by Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only) being the pay-in amount of total of Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only) to be paid by Defendant No. 1 towards the quantity purchased. Subsequently, on the same date, the Plaintiff received sum of Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only) from Defendant No. 1 and credited the Ledger Account (Member Delivery Obligation) of Defendant No. 1 by Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand only).</p>
16.		<p>The Defendant No. 1 was obliged to make pay-in of the amount due and payable by Defendant No. 1 on the due date of each T+25 contract by 9 a.m. until final cut-off time of 1 p.m. Any shortage received was kept outstanding in the Defendant No. 1's account. During the day, when Pay-Out would be required to be made to Defendant No. 1, such amount would be first adjusted against the debit lying in Defendant No. 1's account, if any. After such adjustment, the difference, if any would be paid to Defendant No. 1.</p>

17.		<p>The ledger account balances of the Defendant No. 1 at the end of each trade day would be either "Credit" / "Debit" or "0" and the same would be arrived at after reconciliation of the following: (i) The amount of credit / debit balance, if any at the end of the previous day;</p> <p>(ii) The payment made by Defendant No. 1 towards its Pay-In Obligation; and</p> <p>(iii) The amount of Pay-Out received by Defendant No. 1 in accordance with Pay-Out Obligation of the Plaintiff.</p>
18.		<p>In this regard, it is pertinent to note that the bank pay-in and bank pay-out entries in the ledger account of Defendant Nos. 1 and 2 are consistent with the statement of Clearing Bank Account of Defendant Nos. 1 and 2. In this regard it is submitted that as an Exchange platform and as provided in the Rules and Byelaws, the Plaintiff deals only with its Members. The Members may be trading on their own account or on behalf of clients, but the trading and Settlement obligation is that of the Members i.e. the Defendant Nos. 1 and 2 in the present case. Hence, the Plaintiff requires each member to open a Settlement Bank Account. When a Member is supposed to make a pay in of funds, he is supposed to collect the funds from his clients who traded through the Member and deposit it in the Settlement Bank account. Similarly when a payout is made for a sale of commodity, the Member is supposed to pay the clients from out of the funds received from the Plaintiff Exchange in the Settlement Bank account.</p>
19.		<p>In April, 2012, the Exchange received a Show Cause Notice from the Ministry of Consumer Affairs (Ministry) Government of India (i.e. the Government) alleging violation of conditions of the Notification dated 05 June, 2007. The Plaintiff Exchange vide detailed letter dated 23 May, 2012 and follow-up letters dated 11 August 2012, 08 July, 2013 and 12 July, 2013 replied to the Show Cause Notice. On 12th July, 2013, the Government addressed a letter directing the Plaintiff to furnish undertaking to the effect that:</p> <p>(i) No further/ fresh contracts shall be launched till further instructions from concerned authority;</p> <p>(ii) All the existing contracts will be settled on the due</p>

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		dates.
20.		<p>In pursuance of the requisition of the Government, the Plaintiff issued a circular bearing no. NSEL/TRD/2013/061 dated 22nd July 2013, thereby stating the following:</p> <p><i>"In order to implement better risk management practices, the Exchange has made the following changes in the settlement procedure for the trades with effect from Tuesday, 23rd July, 2013:</i></p> <p><i>(i) All contracts currently settled by delivery and payment beyond 11 days, will be settled on "T+10" days basis;</i></p> <p><i>(ii) All contracts which are currently settled on "Net Obligation" basis shall be settled on Trade to Trade basis. This includes all e-series contracts such as e-gold, e-silver, e-copper, e-zinc, e-lead, e-nickel and e-platinum".</i></p>
21.		<p>In view of the above circular, all contracts introduced on the Plaintiff Exchange from 23rd July, 2013 were T+10 instead of T+25. All T+25 contracts executed prior to 23rd July, 2013 were to be settled on their respective original due dates. The Plaintiff continued to offer T+2 contracts. On 31st July, 2013, the Plaintiff issued Circular (NSEL/TRD/2013/065) thereby suspending trading in all contracts, except e-series contracts and merging the delivery and settlement of all pending contracts.</p>
22.		<p>As per the above circular dated 31st July, 2013, all open positions of Members were to be merged by 14th August, 2013. To ensure that, the activity of merging, reconciliation and dissemination of open positions are done timely; the positions were merged by the Plaintiff on 9th August, 2013 and the total outstanding amount towards the Pay-In Obligation of Defendant Nos. 1 was accordingly debited in the ledger account of</p>

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26.		<p>The total sum of Rs. 333,00,99,643.17 (Rupees three hundred and thirty three crores ninety nine thousand six hundred and forty three and paise seventeen only) is due and outstanding by the Defendant No. 1 on and from 9th August 2013. The said sum is arrived at after considering credit balance of Rs. 15,14,99,946.26/- towards the Initial Margin as on 31/07/2013 and debit balance of Rs. 3,95,767.83/- being the debit balance of Member Daily Obligation Account as on 02/08/2013, as more particularly detailed in Particulars of Claim.</p>
27.		<p>In August 2013, post suspension of trading on the exchange platform, the Plaintiff appointed an independent agency namely, SGS India Pvt. Ltd. ("SGS"), to survey the stocks at various warehouses including the said warehouse/property which was in control of Defendant No. 2, with the object of verifying the quantity of goods deposited by each member. On 6th and 7th September, 2013, the SGS team visited the 1st Defendant's premises situated at <i>Khasra Nos. 106/319, 106/251, 106/255, 106/99, 106/102 & 103, Kherakalan, Delhi and Khasra No. 398/2, Village Hameedpur, Delhi 110 036</i> respectively to conduct an audit, however, they were prevented by its management from entering its warehouses and conducting the audit. The Plaintiff verily believes that the Defendant Nos. 1 and 2 have used/dispensed and will continue to use/dispense the various commodities at the said warehouse, for their own personal gains, contrary to its obligations under the contracts, and adverse to the legal rights of the Plaintiff. It is important to mention here that Defendant Nos. 1 and 2 are obliged to satisfy the Plaintiff that they are in possession of the physical commodities and they are obliged to deliver as per the obligations undertaken in the sale contracts executed by them.</p>
28.		<p>The Plaintiff states that the Exchange tried to amicably resolve the disputes between the various trading members and the buyers on the Exchange. The Plaintiff states that a meeting was convened in the presence of a representative of the Government (through the Forward Market Commission) and an Agreement was arrived at under which Defendant Nos. 1 and 2 agreed to make payment of the then outstanding amount of approximately Rs. 295 crores (which was subject to reconciliation) in 20</p>

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		weekly instalments. The Defendant Nos. 1 issued letters dated 1st August 2013 whereby they expressly acknowledged their unconditional and absolute liability towards the Plaintiff and promised to make payment.
29.		Since it became apparent to the Plaintiff that the Defendant Nos. 1 had no intention of honouring their obligations towards the Plaintiff Exchange and thereby to the various buyers, on 22 nd August 2013, the Plaintiff issued default notices to Defendant Nos. 1 calling upon it to make payment of the admitted outstanding amount
30.		Since the Defendant Nos. 1 were disagreeing on the amounts owed to the Plaintiff, the parties initiated a conciliation process under the Arbitration and Conciliation Act, 1996 and appointed a Conciliator. Pursuant thereto, the Conciliator assisted the parties to formulate terms of a possible settlement and a Settlement Agreement came to be drawn up, whereby the Defendant Nos. 1 and 2 alongwith MIPL agreed that they would pay an amount of Rs. 771 crores in full and final satisfaction of the Plaintiff's claim of approximately Rs.992 crores plus interest thereon as on that date and the Plaintiff agreed to the same, subject to the various conditions enumerated in the Settlement Agreement. The Settlement Amount of Rs. 771 crores was agreed to be paid by the Defendant Nos. 1 and 2 alongwith MIPL.
31.		Pursuant to the execution of the Settlement Agreement, the Defendant Nos. 1 and 2 committed a default in payment of the very first monthly tranche of Rs. 59 crores and failed to pay the same, or any part thereof, before the due date of 2nd December 2013 and has, in fact, failed to pay the same till date inasmuch as Defendant No. 2 has not made any payment and MIPL has only paid a sum of about Rs. 17.85 crores over a period of 10 months after the passing of the original due date. The Defendant Nos. 1 and 2 have also failed to pay the other monthly tranches as agreed. Accordingly, in terms of the Settlement Agreement, a material breach has taken place and the Plaintiff has stood entitled to forfeit the first payment of Rs. 11 crores and recover damages of Rs. 139 crores from the Defendant Nos. 1 & 2 over and above the Settlement Amount less any payments received thereafter till


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		<p>date. The same is subject to approval of the FMC, in view of certain orders passed in Writ Petition No. 289 of 2014, by this Hon'ble Court. Accordingly, on 7 November 2013 a letter was addressed by the Petitioner to FMC enclosing a copy of Settlement Agreement entered into between Petitioner and Mohan India Group (including Defendant No 1, 2 alongwith MPIL and other entitles). Subsequently, on 28 November 2013 the FMC addressed a letter to Petitioner, raising certain queries regarding the Settlement Agreement, which were answered by Petitioner vide its letter dated 10 January 2014. Thereafter, on 11 April 2014 the FMC addressed a letter to Petitioner, refusing to grant its approval to the Settlement Agreement</p>
32.		<p>The Plaintiff states that when the independent auditors SGS appointed by the Plaintiff visited the concerned warehouses on 6th and 7th September 2013, it became clear that the Defendant No. 2 had either not brought in or has surreptitiously disposed of or shifted the said commodities, resulting in a breach of Defendant No. 2's obligations towards the Plaintiff and also towards making the commodities available to the buyer or to compensate them by refunding with interest the amount received by them. The Plaintiff says that the Defendant Nos. 1 is in default of a huge amount of money which is due to various investors. The Plaintiff states that the Plaintiff has a right in its own capacity as well as a responsibility to recover the aforesaid outstanding amount of Rs. 3470221357.12/- from Defendant Nos. 1 (and also from Defendant Nos. 3 & 4 and 6 to 10) by taking all steps necessary including but not limited to adjustment of the margin amount deposited by Defendant Nos. 1 and 2 with the Plaintiff Exchange, by taking possession of the stock of commodities, by taking over the collateral securities of Defendant Nos. 1 and 2 and by adopting appropriate legal proceedings for attachment and sale of the assets/properties of Defendant No. 1.</p>
33.		<p>As mentioned hereinabove, the inspection reports filed by SGS clearly establish that the Defendant Nos. 2 have either failed to deposit or has surreptitiously removed the commodities from the designated warehouses. The Plaintiff therefore submits that, it is apprehended that the Defendant</p>

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		<p>Nos. 2 did not store the required goods in the warehouses. In this regard, it is imperative that the Defendant Nos. 1 and 2 furnish before this Hon'ble Court, their respective financial statements and Income Tax returns and sales tax, and VAT returns for the period during which they traded on the Plaintiff's Exchange platform to ascertain / identify as to how the Defendant Nos.1 and 2 treated these transactions for the sale / purchase of the commodities on the Plaintiff Exchange's Platform. It is submitted that in light of this fact a clear case for protection of the Plaintiff's interest and monies siphoned off by Defendant Nos. 1 and 2 is made out, particularly in light of the various news reports / statements made by the officers of the EOW investigating the matter</p>
34.		<p>Defendant No. 5 being the Auditors of Defendant Nos. 1 and 2 are equally responsible for defaults created by Defendant Nos. 1 and 2 on Plaintiff Exchange. The said Defendant No. 5 by misusing their position and misleading the Plaintiff by suppressing information from them, colluded and conspired with Defendant Nos. 1 and 2 by certifying false information regarding sufficiency of goods at the warehouses of Defendant Nos. 1 and 2, for their own personal gains and unjustly enriched themselves at the expense of a large number of counterparties to the trades carried out by Defendant Nos. 1 and 2 as more particularly set out hereinabove. Defendant No. 5 for the purpose of carrying out the audit were also to survey the stocks at the warehouses in control of Defendant Nos. 1 and 2 and to verify the quantum of goods available at the said warehouse of Defendant Nos. 1 and 2 which was deposited by Defendant Nos. 2 and also issue reports about sufficiency of goods at the said warehouse against the trades they had entered into on the Plaintiff Exchange. The Defendant Nos. 1 and 2 in connivance with the Defendant Nos. 3 and 4 used the various commodities at the said warehouse, for their own personal gains, and to the exclusion of the legal rights of the Plaintiff and the Defendant No. 5 suppressed this fact and instead assured through their audits that there were sufficient amount of goods available at the warehouse of Defendant Nos. 1 and 2. The Plaintiff states that similarly if the properties or assets belonging to and in the possession of the Defendant Nos. 6 to 10 (which are/ were to be</p>

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		<p>mortgaged by them in the Plaintiff's favour, pursuant to the Settlement Agreement) are sold or transferred or the possession is handed over, the same would affect the rights of the Plaintiff and the investors, whose interests are vested in the said properties / assets as these properties / assets were expressly provided/ to be provided to secure the payment of the Settlement Amount under the Settlement Agreement.</p>
35.		<p>there is grave urgency in the matter in as much as not only is the Defendant obstructing and preventing the Plaintiff from taking inspection and possession of the commodities in the said warehouse/property, but the Plaintiff verily believes that the Defendants are in the process of disposition of the various commodities located therein. Further, the Plaintiff verily believes that the Defendant Nos. 1 and 2 with a view to defeat the legitimate rights and claim of the Plaintiff Exchange as well as the various counterpartiestrading clients who have traded with the Defendants in the Outstanding Trades, will dispose of their various businesses/assets and their movable and immovable properties so as to take the same out of the reach of the Plaintiff Exchange. The Plaintiff submits that once these various businesses/assets are dissipated / siphoned off irretrievable injury will be caused both to the Plaintiff Exchange as well as to the various counterparty investors / trading clients.</p>
		<p>Hence, the present Suit.</p>

POINTS TO BE URGED:

1. That Defendant Nos. 1 & 2 have orchestrated and played a fraud on the Plaintiff and the counterparties to the Outstanding Trades.
2. That the Defendant Nos. 3 & 4 have utilized the corporate structure and identities of Defendant Nos. 1 & 2 for their own personal gain and are the real beneficiaries of the defaults that have occurred on the exchange platform.
3. That Defendant No. 5 aware of the transactions entered into by Defendant Nos. 1 & 2 on the Plaintiff Exchange, and, was therefore aware of the wrongdoings of Defendant Nos. 1 & 2.
4. That Defendant Nos. 6 to 10 have, under the Settlement Agreement entered into between the Plaintiff and the Defendants, agreed and undertaken to furnish security to secure the Plaintiff's claim

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5. that the Defendant Nos. 1 to 10 are jointly and/ or severally liable to pay to the Plaintiff
outstanding dues to the Plaintiff as more particularly prayed for in the Plaint.

ACTS AND AUTHORITIES:

1. Code of Civil Procedure, 1908;
2. Forward Contract (Regulation) Act, 1953;
3. Any other acts

Naik Naik & Company

SD/-

Advocates for the Plaintiff

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

SUIT NO(2)1098 OF 2014

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NATIONAL SPOT EXCHANGE LIMITED, a public limited]
company incorporated under the provisions of the Companies]
Act, 1956 and having its registered office at FT Towers, CTS No.]
256 & 257, 4th Floor, Suren Road, Chakala, Andheri (East),]
Mumbai - 400 093.] ...PLAINTIFF

VERSUS

1. TAVISHI ENTERPRISES PVT. LTD., a company]
incorporated under the provisions of the Companies Act,]
1956, and having its registered office at 1A/101,]
Rangrasyan Apartments, Sector 13, Rohini, New Delhi 110]
085.]
2. BRINDA COMMODITY PVT. LTD., a company]
incorporated under the provisions of the Companies Act,]
1956, and having its registered office at D-Mall, Pitampura,
New Delhi 110 008.
3. MR. JAG MOHAN GARG, a director of Tavishi]
Enterprises Pvt. Ltd., Brinda Commodity Pvt. Ltd., Jaishree]
Baba Projects Pvt. Ltd. and Mera Baba Realty Associates]
Pvt. Ltd., residing at KU-73, Pitampura, New Delhi 110]
034.]
4. MR. JAI SHANKER SRIVASTAVA, a director of]
Tavishi Enterprises Pvt. Ltd., and also of Mohan Infracon]
Pvt. Ltd., having address at G-401, Utsav Enclave,]
Halwasia Apartments, Opp. Hal, Lucknow, 226 006, Uttar]
Pradesh.



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5. M/S. M. K. SINGLA & ASSOCIATES, auditors of]
Tavishi Enterprises Pvt. Ltd., and Brinda Commodity Pvt.]
Ltd., having their office at C-33/306-307, Aggarwal]
Modern Bazar, Lawrence Road, New Delhi - 110 035.]
]
 6. MOHAN INFRACON PVT. LTD., a company]
incorporated under the provisions of the Companies Act,]
1956, and having its registered office at No. 354, Tarun]
Enclave, Pitampura, New Delhi 110 034.]
 7. MRS. RASHMI GUPTA, wife of Mr. Jag Mohan Garg,]
residing at 81, Vaishali, Pitampura, Shalimar Bagh, North]
West Delhi, New Delhi 110 088.]
 8. MRS. SUMAN GUPTA, wife of Mr. Hari Mohan Gupta,]
residing at 1A/101, Rangrasyan Apartments, Sector 13,]
Rohini, New Delhi 110 085.]
 9. JAISHREE BABA PROJECTS PVT. LTD., a company]
incorporated under the provisions of the Companies Act,]
1956, and having its registered office at No. 354, Tarun]
Enclave, Pitampura, New Delhi 110 034.]
 10. MERA BABA REALTY ASSOCIATES PVT. LTD., a]
company incorporated under the provisions of the]
Companies Act, 1956, and having its registered office at D-]
Mall, A-1, Netaji Subhash Place, Pitampura, New Delhi 110]
034.] ...DEFENDANTS

THE PLAINTIFF ABOVENAMED STATES AS FOLLOWS:

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1. The Plaintiff is a company incorporated under the Companies Act, 1956 and carries on business as a spot exchange, which provides an electronic trading platform for spot contracts in commodities on a compulsory delivery basis, and commenced live operations since October 2008, from its office situated at the address mentioned in the cause title above.

2. The Defendant No. 1 is a company incorporated under the Companies Act, 1956, and is a Trading cum Clearing Member of the Plaintiff Exchange, and traded in contracts of sugar on the Plaintiff's exchange platform, for itself and on behalf of its clients. The Defendant No. 2 is a company incorporated under the Companies Act, 1956 and is also a Trading cum Clearing Member of the Plaintiff Exchange, and traded in contracts of sugar on the Plaintiff's exchange platform, for itself. The Defendant Nos. 1 and 2 are related / associated entities and are largely and substantially controlled by the same management and/or promoters. The Defendant Nos. 1 and 2 have acted in concert and traded in spot contracts of sugar in such a manner that Defendant No. 2 sold spot contracts of Sugar on a T+2 basis to a buyer and the Defendant No. 1 at the same time purchased back the spot contracts of Sugar on a T+25 basis from the same buyer. The Defendant No. 3 is a director of the Defendant Nos. 1 and 2 company and was in charge of the day-to-day affairs of those Defendants at all relevant times when the suit transactions and defaults took place. The Defendant No. 3 is also a director of the Defendant Nos. 9 and 10 companies. The Defendant No. 4 is a director of both the Defendant Nos. 1 and 2 companies and was also in charge of the day-to-day affairs of those Defendants at all relevant times when the suit transactions and defaults took place. The Defendant No. 4 is also a director of the Defendant No. 6 Company. The Defendant Nos. 3 & 4 have additionally by way of a Settlement Agreement personally guaranteed the due payment of the settlement amount in their individual capacity. The Defendant No. 5 is the statutory auditor of the Defendant Nos. 1 and 2 at the relevant time when the suit transactions / defaults have taken place. The Plaintiff states that the Defendant No. 5 has colluded and facilitated the default committed by the defaulter members being Defendant Nos. 1 and 2 and thereby enabled them to perpetrate the fraud played by them upon the Plaintiff exchange and the counterparties to the trades undertaken by the 1st and 2nd Defendants. The Plaintiff states that Defendant No. 5

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has also acted in connivance with Defendant Nos. 1 and 2 in their wrongdoings. The Plaintiff states that Defendant No. 5 was in charge of the accounts of the Defendant Nos. 1 and 2 and was aware of the transactions entered into by the Defendant Nos. 1 and 2 on the Plaintiff Exchange and were therefore aware of the wrongdoings of the Defendant Nos. 1 and 2. The Plaintiff states that Defendant No. 5, as statutory auditor of the Defendant Nos. 1 and 2, was fully aware as to the goods and commodities owned, sold and in the control of Defendant Nos. 1 and 2. The acts leading to the defaults committed on the Plaintiff Exchange could not have occurred without the knowledge and active participation of these Defendants. As will be demonstrated herein below, the Defendant Nos. 3 and 4 have utilized the corporate structure and identities of the Defendant Nos. 1 and 2 for their own personal gain and are the real beneficiaries of the defaults that have occurred on the Plaintiff's exchange, and have therefore rendered themselves liable to make good the losses suffered thereby. The Defendant No. 6 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant Nos. 1 and 2 and is controlled by the management/promoters of the Defendant Nos. 1 and 2, and has by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. The Defendant No. 7, who is the wife of the Defendant No. 3, has also by way of a Settlement Agreement executed between the parties agreed and undertaken to furnish security to secure the Plaintiff's claim. The Defendant No. 8 by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim, and resides at the same address at which the Defendant No. 1's registered office is situated. The Defendant No. 9 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant Nos. 1 and 2, 6 and 10 and is controlled by the management/promoters of the Defendant Nos. 1 and 2. The Defendant No. 9 by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. The Defendant No. 10 is a company incorporated under the Companies Act, 1956 and is a related entity of the Defendant Nos. 1 and 2, 6 and 9 and is controlled by the management/promoters of the Defendant Nos. 1 and 2, 6 and 9 and has its registered office at the same address as that of the Defendant No. 2.

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The Defendant No. 10 by way of a Settlement Agreement executed between the parties had agreed and undertaken to furnish security to secure the Plaintiff's claim. Thus, the said Defendants have undertaken and assumed personal obligation to make payment of the Plaintiff's dues claimed herein.

3. The Plaintiff has filed the present Suit to claim and recover an amount aggregating to Rs. 3330,099,643.17 (Rupees Three Thirty Three Crores Ninety Nine Thousand Six Hundred Forty Three and Seventeen Paise Only) , [i.e. Rs 3481203821.60. plus (+) 395767.83 minus(-) Rs 151499946.26 = Rs 330,099,643.17] along with interest thereon at 18% per annum from the due date of payment i.e. August 15, 2013, until payment and/ or realization thereof, which amount is admittedly due and payable to the Plaintiff by the 1st Defendant on account of its pay-in obligations for the trades executed by Defendant No. 1 on its own behalf and due and payable by Defendant No 2 on the pay-out obligations of the Plaintiff exchange for the credit received by Defendant No. 2 for the trades annulled on 29th to 31st July 2013. which amount once recovered will be utilized to meet the pay-out obligations that arose on account of the 1st and 2nd Defendant's trades to various trading or trading-cum-clearing members of the Plaintiff. The Plaintiff states that the trades executed by Defendant No. 1 (and which remain outstanding today) were paired against trades executed by Defendant No. 2 such that for every commodity sold to a buyer by Defendant No. 2 on the Plaintiff exchange, Defendant No. 1 would re-purchase that commodity from the same buyer under a separate contract for a longer duration. It is submitted that the entire process of paired trading by Defendant Nos. 1 and 2 was in collusion and contrary to the express provisions of the Bye-laws of the Plaintiff Exchange. I say that additionally, the Plaintiff is also entitled to an amount of and Rs 149230990 [i.e Rs 149230990 plus (+) 390723.95 minus (-) Rs 9500000/- = Rs 140121713.95/-] -- Defendant No. 2's liability) on account of those paired trades executed between 27th and 31st July 2013 by Defendant No. 2, which trades were nullified and reversed by the Plaintiff on account of suspension of trading on the Plaintiff Exchange. I say that these trades were also paired with trades executed by Defendant No. 1, however, as all the trades were duly cancelled / nullified by the Plaintiff, the amounts received by Defendant No. 2 on account of these trades is also liable to be returned. I say that


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accordingly, the suit claim presently is Rs. 347,02,21,357.12 (Rupees three hundred forty seven crores two lakhs twenty one thousand three hundred fifty seven and paise twelve only)

4. Without prejudice, the Plaintiff is also entitled to recover its suit claim from the 1st to 4th and 6th to 10th Defendants jointly and/ or severally, as each of them have colluded and conspired with the others and played a fraud for their own personal gains and unjustly enriched themselves to the extent of the Plaintiff's suit claim, as elaborated herein below.
5. The Plaintiff states that in addition to Defendant Nos. 1 and 2, one other sister concern / group company was also a Trading Member on the Plaintiff exchange. The Plaintiff states that in an attempt to facilitate settlement and with an intention to recover the amounts due and payable by these entities to the Plaintiff, the Plaintiff agreed to an amount of Rs 771 crores (out of total of Rs 922 crores i.e. approx. Rs 575 crores due and payable by the sister concern (Moban India Pvt. Ltd.) and Rs 333 crores due and payable by Defendant No. 1 and Rs. 14 crores being due and payable by Defendant No. 2). The Plaintiff states that the said Settlement Agreement was subject to the approval of the Forward Markets Commission, in the circumstances as elaborated herein below, which approval was not accorded by the said Commission on account of the reduction in the amount agreed to be paid. The Plaintiff states therefore that it is entitled to make its entire claim, as set out herein above. The Plaintiff states however, that the said Settlement Agreement constitutes an admission of liability on behalf of Defendant Nos. 1 and 2 as well as the other parties in the circumstances as set out therein.
6. The Plaintiff states that based on the admission in the Settlement Agreement, and without prejudice to the Plaintiff's case that the Defendant Nos. 1 and 2 are liable to pay an amount as set out herein above, the Plaintiff states that it is entitled forthwith to recover a sum of Rs. 52.31 crores, being the admitted pro-rata share of Defendant Nos. 1 and 2 as per the terms of the Settlement Agreement dated 30th October 2013, from the 1st and 2nd Defendant as also from the 3rd and 4th Defendants who have personally guaranteed due payment thereof vide the same agreement.

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7. The Plaintiff states further that as per the terms of the said Settlement Agreement if the parties thereto /Defendants herein defaulted in paying the amount as mentioned therein, then in addition to paying the agreed amount of Rs 771 crores, the Defendants (together with the sister entity) would also be liable to pay an additional Rs 139 crores (and Rs 11 crores already paid by Defendant No. 1 as per the said Settlement Agreement was to be forfeited) to the Plaintiff. Accordingly, the Plaintiff is entitled to claim an additional sum of Rs. 52.31 crores (being a pro-rata share of Rs. 139 crores payable, in addition to Rs. 290.71 crores stated herein above) totalling to an amount of Rs. 342.48/- (hereinafter referred to as the "admitted amount") as admitted and stipulated as payable under the terms of the said Settlement Agreement and also consequent to the Defendant Nos. 1 and 2's breaches thereof and defaults thereunder.
8. The Plaintiff states further that it is also entitled to seek enforcement of the obligations undertaken personally by the 3, 4 7 and 8 Defendants to secure its claim as per the provisions of the Settlement Agreement entered into between the parties. Defendant Nos. 1 to 4, and 6 to 10 have undertaken and assumed personal obligation and liability to make payment.
9. The Plaintiff states that the former Managing Director and Chief Executive Officer of the Plaintiff, Mr. Anjani Sinha, was responsible for the day-to-day management and affairs of the Plaintiff. The said Mr. Anjani Sinha, by misusing his position and misleading the Plaintiff and its Board of Directors and suppressing information from them, colluded and conspired with Defendant Nos. 1 and 2 and their directors/shareholders and clients/ related entities, amongst other trading members of the Plaintiff, and other senior officials of the Plaintiff, for their own personal gains and unjustly enriched themselves at the expense of a large number of counterparties to the trades carried out by the Defendant Nos. 1 and 2 and/ or the Defendant No. 2's client as more particularly set out hereinafter. The other senior officials of the Plaintiff who were involved are the following: Assistant Vice-President (Business Development) Mr. Amit Mukherjee; Assistant Vice-President (Market Operations) Mr. Jai Bhaukhandi; Manager (Business Development) Mr. Maneesh Chandra Pandey; and Chief Financial Officer Mr. Shashidhar Kotian. All the above mentioned people were

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directly reporting to and working under the direct supervision and control of the said Mr. Anjani Sinha, and were suspended from their services in the month of August, 2013 (*when the collusion and conspiracy and subsequent defaults came to the knowledge of the Plaintiff*) for colluding and conspiring, *inter alia*, with Defendants herein, for their own personal gains as more particularly set out hereinafter. The Plaintiff further states that the aspect of criminality involved in the conspiracy and fraud played by the Defendants in collusion with the erstwhile Managing Director and CEO and other officials of the Plaintiff, is being investigated by the Economic Offences Wing ("EOW") of the Mumbai Police, the Enforcement Directorate and the Central Bureau of Investigation, which does not prejudice, restrict or affect the rights of the Plaintiff to adopt appropriate civil proceedings to recover the monies due from the 1st and 2nd Defendants and other Defendants to the Plaintiff, arising out of / in relation to the transactions undertaken by them on the Plaintiff's exchange platform..

10. The Plaintiff states that the Plaintiff permits trading through its Members, called Trading Members or Trading-cum-Clearing Members as the case may be and only these members are entitled to trade on the Exchange for themselves and/or their clients. By separate applications, the Defendant Nos. 1 and 2 respectively made applications for Membership of the Plaintiff under the Rules and Byelaws of the Plaintiff. Hereto annexed and marked as Exhibit "A" and Exhibit "B" are copies of the Membership Applications of the Defendant Nos. 1 and 2 respectively.
11. The Plaintiff states that Plaintiff Exchange is governed by its Bye-laws and Rules and all its members and their clients are bound by the same. The Plaintiff craves leave to refer to and rely upon the Bye-laws and Rules as and when produced. Some of the relevant provisions of the Bye-laws are set out herein below, for convenience as follows:

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2.15 Buyer means and includes, unless the context indicates otherwise, the buying client, the buying exchange member acting either as an agent on behalf of the buying client or buying on his own account.

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2.25 *Clearing House* means the division of the Exchange, or an entity designated as such by the Exchange, providing the services of settlement of transactions to the exchange members and guaranteeing settlement by delivery or otherwise of the obligations to the clearing members, on behalf of the Exchange.

2.26 *Clearing member* means a trading-cum-clearing member or an institutional clearing member of the Exchange who has the right to clear transactions in commodities that are executed in the trading system of the Exchange.

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2.37 *Delivery* means the tender and receipt of warehouse receipts/ or any other document of title to goods by issue of delivery order in settlement of a transaction.

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2.72 *Seller* means and includes, unless the context indicates otherwise, the selling client, and the selling exchange member acting as an agent on behalf of such selling client and denotes the selling exchange member when he is dealing on his own account.

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2.91 *Trading-cum-clearing member* means a person who is admitted by the Exchange as a member of the Exchange conferring a right to trade and clear through the Clearing House of the Exchange as a clearing member and who may be allowed to make deals for himself as well as on behalf of his clients and clear and settle such deals only.

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2.95 *Warehouse* means and includes any place of storage, godown, warehouse, tank, silos, store house, storage tank, etc. where the commodities traded on the Exchange are stored.

2.96 *Warehouse Receipt* means a document, whether in physical or electronic form evidencing a commodity being held in the approved warehouse.

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3.10 Every member of the Exchange shall indemnify and keep indemnified the Exchange from and against all harm, loss, damages, injury and penalty suffered or incurred and all costs, charges and expenses incurred in instituting and/or carrying on and/or defending any suits, action, litigation, arbitration, disciplinary action, prosecution or any other legal proceedings suffered or incurred by the Exchange on account of or as a result of any act of commission or omission or default in complying with any of the provisions or the authorities regulating spot trading in the area where such trading takes place, and the Rules framed thereunder or these Bye-Laws or the Rules, Business Rules or Regulations of the Exchange or due to any agreement, contract or transaction executed or made in pursuance thereof or on account of negligence or fraud on the part of any member of the Exchange or the Clearing House and their employees, servants and agents.

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4.6 While entering an order in the system, the member shall specify whether such order is on his own account or on account of his client. If the order is for and on behalf of a client, he should specify the respective client identification number.

4.7 Before executing a trade for a client, the member shall sign a written agreement with the client, as per the procedure and in the format, as may be specified by the Exchange.

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4.27 Indian law shall apply to the commodities entered between the members of the Exchange and jurisdiction shall be the courts in Mumbai.

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5.17 CLOSING-OUT – EXCHANGE MEMBER.S RESPONSIBILITY

The exchange member shall be fully accountable for the closing out of transactions effected by the Exchange on his behalf and shall indemnify the Exchange against any loss or cost arising out of or incidental to such close-out of transactions either directly or indirectly.

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5.24 Matching rules:

The Exchange may from time to time specify in its relevant Business Rules and Regulations the rule or principles to be applied for matching orders on "NEST" or any other trading system of the Exchange, which may vary for different order books. Unless otherwise specified, the orders shall be matched on price-time priority.

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7.9.2 *Commodities, or price indices not guaranteed by the Exchange shall also be cleared, settled or closed out in accordance with the Bye-Laws and Rules, Business Rules and Regulations of the Exchange in force from time to time. The Exchange however shall not be responsible for the performance of such contracts. If any party to such contract defaults in respect of his financial obligations or fails to deliver goods on maturity of the contract, the defaulting member shall be liable for appropriate disciplinary action by the Relevant Authority and his contract will be closed out by the Relevant Authority in accordance with the Bye-Laws, Rules, Business Rules and Regulations or notices, or orders issued thereunder. The Exchange shall then be entitled to recover dues of any defaulting member from his security deposit and other funds, if any lying with the Exchange, as also from his debtor members and appropriate the amount so recovered for distribution amongst his creditor members on pro rata basis.*

7.9.3 *Exchange shall not be deemed to guarantee the financial obligations of a defaulting clearing member to other members, who are doing clearing and settlement through him.*

7.9.4 *The Exchange shall not be deemed to guarantee the financial obligations of any member of the Exchange to his/its clients; and*

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7.9.5 The Exchange shall not be deemed to guarantee the delivery, the title, genuineness, quality or validity of any goods or any documents passing through the Clearing House of the Exchange.

8.1 In respect of transactions taking place in the Exchange, buyers and sellers shall post such amount as initial margin, including special margin, as may be specified by the Relevant Authority from time to time.

8.5 Failure to pay variation margin may lead to the exchange member being deactivated/suspended and declared as defaulter by the Exchange. The Relevant Authority may also take such other measures including disciplinary actions, against the defaulting members, as it may deem fit.

9.10 In case of commodities coming under settlement through delivery and payment, the difference shall be calculated between the contract rate and the closing price of that day. This difference shall be receivable/payable on the next working day of the date of transaction. Subsequently, delivery and payment settlements shall be made on the basis of closing price of the date of trade.

10.10 Delivery Orders shall be passed on to the Clearing House through the Clearing Members and vice versa. The Members of the Exchange themselves or their agents shall be entitled to receive or give Delivery Order, Registered non-members shall give or receive Delivery Orders through Members of the Exchange who have executed their transactions.

10.11 At the time of Issuing the Delivery Order, the seller of such commodity must satisfy his Clearing Member that he owns and holds in his possession or his agent's possession adequate stocks of the required quantity and quality of the commodity in which he has open position to make delivery in the specified manner to cover the commitments included in the Delivery Order.


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10.17 The Exchange may appoint a panel of surveyors or agencies including laboratories, for the purpose of quality and weightment /quantity certification of commodities tendered

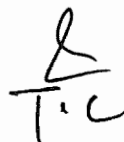
.....
11.1 In respect of all trades done by the members of the Exchange, the Exchange will electronically forward reports to the respective members, including settlement obligations relating thereto. All such reports and obligations shall be binding on the members of the Exchange.

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11.4 A clearing member shall notify the Exchange of any incident, which may endanger the clearing members financial strength or interfere with the clearing Member's ability to conduct its business in the best interests of the Exchange.

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11.5 All Members of the Exchange as well as other market intermediaries shall be required to maintain such Books of Accounts, Registers, Statements and other Records, either in physical or electronic form, as may be specified by the Relevant Authority. All such documents and records shall be kept in good order and preserved at least for such period, as may be specified by the Relevant Authority. All such documents and records shall be made available to the Exchange by the member for inspection, whenever required.

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15.6 Jurisdiction

All parties to an arbitration under these Bye-Laws, Rules, Business Rules and Regulations and the persons, if any, submitting claims under them, shall be deemed to have submitted to the exclusive jurisdiction of the Court in Mumbai for the purpose of giving effect to the provisions of the Act, these Bye-Laws and Rules, Business Rules and Regulations in force.

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16. Whenever a Trading Committee or Committees constituted for a commodity or a group of commodities, and / or the Relevant Authority, considers that there is an emergency, corner or crisis in the nature of manipulation, squeeze, bear raid or wherever it appears to such a Committee and/or to the Relevant Authority that the commodities are transacted for the purpose of inducing a false or artificial appearance of activity or upsetting the price equilibrium or that the business is being conducted in a manner prejudicial to the interest of the trade or the interest and welfare of the Exchange, the Clearing House may effect special clearance of outstanding positions that have been registered or impose additional /special margins or take such other measures that the Committee concerned or the Relevant Authority may decide.

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If the Relevant Authority is of the opinion that continuation of transactions in a specific commodity or commodities is detrimental to the interest of the trade or to the public interest or to the larger interest of the economy of India, then notwithstanding anything to the contrary contained in these Bye-Laws or any contract made subject to these Bye-Laws, trading in such commodity/ies shall be suspended, but the position outstanding in such commodities will be settled by way of delivery and payment, as may be decided by the Relevant Authority."

12. The relevant facts and circumstances for the present claim are briefly set out hereinbelow:

- a. The Plaintiff commenced operations pursuant to a Gazette Notification dated 5 June 2007 (hereinafter referred to as "Notification") issued by the Ministry of Consumer Affairs, Food and Public Distribution, Government of India, (hereinafter referred to as "Government") allowing it to conduct trading in forward contracts of one day duration subject to conditions stated in the Notification. The Notification expressly exempted the Plaintiff Exchange from the ambit of the Forward Contract (Regulation) Act, 1953, under Section 27 thereof on the terms and conditions contained therein. The Plaintiff craves leave to refer to and rely upon the Notification as and when produced.

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- b. The Defendant Nos. 1 and 2 have executed various documents and undertakings as required, from time to time to enable trading on the Plaintiff Exchange. The Plaintiff craves leave to refer and rely upon the said documents, as and when produced.
- c. Pertinently, the Plaintiff states that the Defendant Nos. 1 and 2 are respectively executed at Mumbai an agreement with the Plaintiff Exchange to place on record the terms and conditions, representations, warranties, covenants and principles agreed between them for protecting the rights of the Plaintiff Exchange and the other members of Plaintiff Exchange. The Plaintiff craves leave to refer to and rely upon the said agreements, as and when produced.
- d. The Defendant Nos. 1 and 2 hold :
- i. Settlement Account Nos. 913020026991636 and 913020026991581 respectively with Axis Bank, Pitampura branch, New Delhi for the purpose of facilitating settlement of their obligations in relation to trades carried out on behalf of their clients and/ or their its own behalf on the Plaintiff exchange platform.
- e. Trading on the Exchange took place on the basis of contracts permitted by the Plaintiff Exchange. By these contracts trading members were permitted to purchase and sell commodities on the Exchange platform in the manner and on the terms as specified in the contracts created. The contracts were indicated by the Exchange by circulars issued from time to time. Each circular would specify a commodity specific contract to enable the trading members to trade in that particular commodity.
- f. Pursuant to the above, the Plaintiff permitted Defendant Nos. 1 and 2 to trade on its exchange platform in contracts of various commodities. All the trades conducted on the Plaintiff's Exchange platform were through the aforestated accounts, and a perusal of the said accounts would categorically demonstrate that the monies were received by Defendant Nos. 1 towards trades executed by it on the Plaintiff's Exchange platform. As will be demonstrated below, the monies due and payable by

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Defendant Nos. 1 to the Plaintiff as claimed herein arise entirely on account of such trades.

- g. The Plaintiff states that in order to illustrate the nomenclature used in the aforesaid contracts, "T" means the Trade Day, i.e. the day on which the trade takes place and "+2" or "+25" or any such number means the number of business days on expiry of which the delivery and payment is due to be effected by the Buying Member and the Selling Member, as the case may be. In each case, i.e. for each commodity, contracts of varying duration were created, usually of a shorter duration of "T+2" or "T+3" and a longer duration of "T+25" or "T+36". For instance:

- (i) T+2 means the trade is concluded on "T" day and the delivery and payment would be effected on the 2nd business day from the "T" day by the Selling and Buying Member, as the case may be; and
- (ii) T+25 means the trade is concluded on "T" day and the delivery and payment would be effected on the 25th business day from the "T" day by the Selling and Buying Member, as the case may be.

It is clarified that for the purpose of computation of number of days for settlement under T+2 and T+25 contracts (for the sake of brevity hereinafter referred to as "Said Contracts"), only business days are taken into consideration.

The steps involved in execution of T+2 and T+25 contracts are briefly summarized as under:

Contract (T+2):

- i. **Step 1 (T):** Trade is done by a member on "T" day i.e. a Selling member sells commodity and Buying member buys commodity at the market price on this day.
- ii. **Step 2 (T):** Trade file is sent to Buying and Selling Members respectively at end of "T" day on File Transfer Protocol ("FTP").
- iii. **Step 3 (T+1):** Obligation report is generated by the Plaintiff Exchange and sent to the Buying Member on "T+1" day setting out the Buying Member's Pay-In Obligation for the total quantity, total value and charges if any.
- iv. **Step 4 (T+2):** On 2nd business day from the "T" day (T+2), the Plaintiff Exchange sends bank file to the Clearing Bank to debit Buying Member's

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Clearing Bank Account by 9.00 A.M. It is clarified that Clearing Bank Account is the bank account of a Member in the Clearing Bank. "Clearing Bank" means a bank that is designated or appointed to provide banking and other facilities to the Exchange, Clearing House of the Exchange and members of the Exchange to facilitate clearing and settlement functions. The Buying Member needs to ensure that the deposits as required are available in their Clearing Bank Account on T+2. Upon receipt of response file from the Clearing Bank, the Plaintiff Exchange updates the Exchange system and sends bank file to Clearing Bank to credit the Selling Member's Clearing Bank Account.

Contract (T+25)

- i. **Step 1 (T)**: Trade is done by a member on "T" day i.e. a Selling member sells commodity and Buying member buys commodity at the price fixed on this day.
- ii. **Step 2 (T)**: Trade file is sent to Buying and Selling Members respectively at end of "T" day on File Transfer Protocol ("FTP").
- iii. **Step 3 (T+24)**: Obligation report is generated by the Plaintiff Exchange and sent to the Buying Member on "T+24" day setting out the Buying Member's Pay-In Obligation for the total quantity, total value and charges if any.
- iv. **Step 4 (T+25)**: On "T+25", the Plaintiff Exchange sends bank file to the Clearing Bank to debit Buying Member's Clearing Bank Account by 9.00 A.M. The Buying Member needs to ensure he deposits required money in his Clearing Bank Account on T+25. Upon receipt of response file from the Clearing Bank, the Plaintiff Exchange updates the Exchange system and sends bank file to Clearing Bank to credit the Selling Member's Clearing Bank Account.

The flow chart explaining the above steps in T+2 and T+25 contracts is contained in Exhibit "C" hereto.

- h. Accordingly, the Plaintiff states that on 3rd December 2012, two circulars bearing no. NSEL/ TRD/ 2012/ 216 and NSEL/TRD/2012/217 were issued by the Plaintiff

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introducing contracts for spot trading in Sugar M-30 Grade Trader's Ex- Delhi on T+2 and T+25 basis respectively. The circulars provide detailed contract specifications and the contracts which were / are subject to the Plaintiff's Bye-laws, Rules and Regulations. Hereto annexed and marked as Exhibit "D" and Exhibit "E" are copies of the said Circulars issued by the Plaintiff.

- i. The Plaintiff states that each of the aforesaid contracts traded on the Plaintiff Exchange specified a designated warehouse at which the underlying traded commodities were liable and required to be deposited by the seller/trading member. The Plaintiff states that the commodities sold were required to be deposited at such designated warehouses at the time as specified in the contracts; for instance in a T+2 contract on the 2nd business day, and in a T+25 contract on the 25th business day. The selling member was bound to deposit in / deliver to the designated warehouse, the commodity contracted to be sold in physical form by actual deposit of the commodity.
- j. At the time when the commodities were deposited by the trading member who was selling the same in the exchange designated warehouse, the trading member who was buying the commodities had the option, in lieu of taking physical delivery thereof from the warehouse, to take constructive delivery of the said commodities. In the event that a trading member was selling the commodities on the basis of the warehouse receipt he would then surrender the same to the exchange and release his ownership over the goods leaving the buying trading member free to remove the commodities from the warehouse after settling the payment obligation in the respective settlement.
- k. The Plaintiff states that Defendant Nos. 1 and 2 have been trading in spot contracts of Sugar M-30 Grade, Ex-Delhi and had been executing T+2 and T+25 contracts on the Plaintiff Exchange for themselves in such a manner that Defendant No. 2 would sell the commodities under T+2 contract to a buyer and Defendant No 1 would purchase the same goods/commodities from the same buyer under T+25 contract. .

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The Plaintiff states that such T+2 and T+25 contracts executed by the Defendant Nos. 1 and 3 on the Plaintiff Exchange are subject to and governed by the Bye-laws, Rules and Regulations of the Exchange.

1. The Plaintiff states that Defendant Nos. 1 and 2 are such defaulter Trading Members who have been trading in T+2 contracts and T+25 contracts since 6th June 2013 in the manner as described hereinabove. The Defendant No. 2 would sell a particular quantity of Sugar under T+2 contract on "T" day to an investor/buying trading member on its own behalf and simultaneously or immediately thereafter the Defendant No. 1 would enter into a corresponding T+25 contract on the same day on its own behalf to buy the same quantity of Sugar as sold under the T+2 contract by the Defendant No. 2 from the same purchasing investor/trading member.
- m. It is pertinent to note that since the Defendant Nos. 1 and 2 executed T+2 and T+25 contracts in such a paired manner that the commodity sold by Defendant Nos. 2 on the Plaintiff Exchange on "T" day would be repurchased by the Defendant No. 1 respectively from the same counter party on the same day and only the settlement dates would differ. As every contract created and trade executed on the exchange platform compulsorily required physical delivery of the commodity in the exchange designated warehouse, and as short selling was specifically prohibited, the Defendant Nos. 2 was obliged to deposit commodities sold by it under the T+2 contract on the Plaintiff Exchange in the designated warehouse / property of the Plaintiff on T+2nd day. It was only upon the actual delivery of physical commodities that the Defendant Nos. 2 was entitled to receive the Pay-Out i.e. the amount payable to the Defendant Nos. 2 under the Obligation Report on T+2nd, after receipt of such amount from the Buying Member.
- n. On T+25th day, the Defendant No. 1 was obliged to make pay-in of the amount due and payable for the commodity repurchased by Defendant Nos. 1 under T+25 and take delivery of the commodity as repurchased, which was nothing but a return of the commodities that were to be deposited by the Defendant Nos. 2 at the time of settlement of the corresponding T+2 contract.

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- o. In order to facilitate delivery under these contracts, the Plaintiff Exchange was to be put in constructive possession of the commodities traded by the Defendant Nos. 2 on the Exchange during the interregnum period, i.e. the period between culmination of the two contracts, T+2. To give effect to such arrangement, an Agreement dated 5 June 2013 [in respect of the following warehouses at Khasra Nos. 106/319, 106/251, 106/255, 106/99, 106/102 & 103, Kherakalan, Delhi and Khasra No. 398/2, Village Hameedpur, Delhi 110 036] was executed between the Plaintiff and a group company of Defendant No. 2 i.e. Mohan India Private . Ltd. by which the Plaintiff Exchange was supposed to acquire constructive possession of the warehouse/property (as described in the said Agreement), which was being utilized by the said group company of Defendant Nos. 2 to store the various commodities traded by them on the Plaintiff Exchange on their own behalf. It is pertinent to note that the said Agreement dated 5th June 2013 was executed for the limited purpose of facilitating constructive possession of the warehouses / properties with the Plaintiff Exchange and, in fact, the actual and physical control of the said warehouses/properties remained with the Defendant No. 2 at all times. The Defendant No. 2's liability to deliver the physical commodities under the T+2 contracts was, and remained, absolute in accordance with the Bye-laws and Rules of the Plaintiff Exchange and the Defendant Nos. 2 was not entitled to deal with the commodities in any manner whatsoever during the interregnum period i.e. the period between culmination of the two contracts T+2 and T+25. Hereto annexed and marked as Exhibit "F" is a copy of the said Agreement dated 5 June 2013.
- p. The Plaintiff states that the Clearing Bank Accounts of the Defendant Nos. 1 and 2 were opened in Axis Bank, New Delhi. The Defendant No. 1 deposited Initial Margin time to time which was credited to its account. As on 31st July 2013, the Defendant No. 1 had a credit balance of Rs. 15,14,99,946.26 /- (Rupees Fifteen Crores fourteen Lakhs ninety nine Thousand nine hundred forty six and paise twenty six only in its Initial Margin Account.. The Defendant No. 2 deposited Initial Margin time to time which was credited to its account. As on 31st July 2013, the Defendant

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No. 2 had a credit balance of Rs. 95,00,000/- (Rupees Ninety Five Lakhs Only) in its Initial Margin Account. The initial ledger extracts contained in **Exhibit "J"**, and **"K"** pertain to the Initial Margin which reflects the bank pay-in / pay-out received from / paid to Member towards Margin Requirements.

- q. The Plaintiff further states that Defendant Nos. 2 issued commodity offer letters and VAT Invoices to the buyers in relation to the commodities sold by them on the Plaintiff Exchange under the T+2 contracts, clearly indicating that Defendant No. 1 had purchased commodities under the T+25 contracts and was obliged to deliver the commodities sold under the T+2 contracts to the designated warehouse of the Plaintiff Exchange. Hereto annexed and marked as **Exhibit "G"** are sample VAT invoices issued by the Defendant No. 1 in favour of buyers for commodities sold on the Exchange and also attached are the invoices issued by the seller in favour of the Defendants. The Plaintiff craves leave to refer to all invoices and documents relating thereto.

Hereto annexed and marked **Exhibit "H" and "I"** are the Trade Summaries giving details of the contracts traded by the Defendant Nos. 1 and 2 for themselves on the Plaintiff Exchange. The following details have been set out in the Trade Summary:

- (i) The Trade Date i.e. the "T" day on which the trade was executed by Defendant No. 1;
- (ii) The Original Due Date i.e. the date on which the payment and delivery would take place under the Contract;
- (iii) The Ledger Date i.e. the date on which the transaction of pay-in / pay-out, as the case may be would be reflected on the ledger of the concerned member;
- (iv) The nature of Commodity traded;
- (v) Client ID. The trades executed by the Defendant Nos. 1 and 2 are indicated as "OWN" are the codes assigned to the Defendant Nos. 1 and 2 hereinabove respectively.
- (vi) The quantity and amount of sale / purchase transaction.

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r. The Plaintiff states that the Plaintiff maintains ledger accounts of each Member in the ordinary and regular course of business. There are three types of sub-ledgers maintained by the Plaintiff:

- (i) Initial Margin Ledger - This is used to reflect bank Pay-In / Pay-Out received from / paid to Member towards Margin Requirements;
- (ii) Member Daily Obligation Ledger - This is used to reflect Member Obligations not directly related to trades, such as Exchange Transaction charges and any bank pay-in / pay-out towards the same.
- (iii) Member's Delivery Obligations Ledger - This is used to reflect Member's Obligations related to Trades and Charges related to the trades and bank Pay-In / Pay-Out.

Hereto annexed and marked Exhibit "J", and Exhibit "K" are the ledger extracts of Defendant Nos. 1 and 2 respectively containing each of the sub-ledgers from 1 April 2014 until date.

The Plaintiff states that Defendant Nos. 1 and 2 commenced trading in T+2 and T+25 contracts on the Plaintiff Exchange in Sugar M-30 Grade Trader's Ex-Delhi.

- s. Similarly, on 11th June 2013, Defendant No. 2 on its own behalf sold Sugar M-30 Grade contract SM30DEL2 200 lots at the rate ranging from Rs. 3373/- to Rs. 3428/- per metric ton (i.e. per unit) under T+2 contract with settlement due date of 13th June 2013, aggregating to Rs. 6,74,70,000/- (Rupees Six Crores Seventy Four Lakhs Seventy Thousand only). At end of day on 11th June 2013, the Trade file was sent to Defendant No. 2 on File Transfer Protocol. At end of day on 11th June 2013, the Trade file was sent to Defendant No. 2 on File Transfer Protocol. Hereto annexed and marked Exhibit "L" is copy of the Trade File sent to Defendant No. 2. On 13th June 2013 ("T+2"), the Plaintiff credited the ledger account (Member Delivery Obligation) of Defendant No. 2 by Rs. 6,74,70,000/- (Rupees Six Crores Seventy Four Lakhs Seventy Thousand only) being the pay-out amount to be paid by Plaintiff to Defendant No. 2 towards the quantity sold by Defendant No. 2 on 11th June 2013, upon receipt of such amount from the Buying Member. Subsequently, on the same

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date, the Plaintiff made payment of the Pay-Out Amount of Rs. 6,74,70,000/- (Rupees Six Crores Seventy Four Lakhs Seventy Thousand only) in the Clearing Bank Account of Defendant No. 2 and upon such payment, the Plaintiff debited the Ledger Account (Member Delivery Obligation) of Defendant No. 2. Hereto annexed and marked Exhibit "M" is copy of the Obligation Report sent to Defendant No. 2 in this regard. On the same day when the Defendant No. 2 sold Sugar M-30 Grade under the aforesaid T+2 contract i.e. on 11th June 2013, the Defendant No. 1 on its own behalf entered into a corresponding T+25 contract whereby Defendant No. 1 purchased 200 quantity of Sugar M-30 Grade under contract SM30DEL25 at the rate of 3428.70 per metric ton (i.e. per unit) under T+25 contract, aggregating to Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only). On 11th June 2013, Trade file were sent respectively to Defendant No. 2 and Defendant No. 1 on File Transfer Protocol, containing T+2 and T+25 trades respectively. Hereto annexed and marked as Exhibit "N" and Exhibit - "O" are the copies of the Trade File sent to the Defendant No. 1 and 2 respectively. However, since this contract was T+25, the pay-in obligation of Defendant No. 1 for Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only) was due on 17th July 2013. Therefore, on 16th July 2013 (T+24), the Obligation report was generated by the Plaintiff Exchange and sent to Defendant No. 1, thereby setting out the Pay-In Obligation of Defendant No. 1 for the total quantity, total value and charges if any aggregating to Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only). It is pertinent to note here that the said amount is the amount of the Pay in obligation received on 17th July 2013, for the trades executed on 11th June 2013. Hereto annexed and marked Exhibit "P" is copy of the Obligation Report sent to Defendant No. 1. On 17th July 2013 ("T+25"), the Plaintiff debited the ledger account (Member Delivery Obligation) of Defendant No. 1 by Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only) being the pay-in amount of total of Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only) to be paid by Defendant No. 1 towards the quantity purchased. Subsequently, on the same date, the Plaintiff received sum of Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand

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Only) from Defendant No. 1 and credited the Ledger Account (Member Delivery Obligation) of Defendant No. 1 by Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand only).

- t. The Plaintiff states that Defendant No. 1 was obliged to make pay-in of the amount due and payable by Defendant No. 1 on the due date of each T+25 contract by 9 a.m. until final cut-off time of 1 p.m. Any shortage received was kept outstanding in the Defendant No. 1's account. During the day, when Pay-Out would be required to be made to Defendant No. 1, such amount would be first adjusted against the debit lying in Defendant No. 1's account, if any. After such adjustment, the difference, if any would be paid to Defendant No. 1.

For instance: On 17th July 2013, the Pay-In Obligation of the Defendant No. 1 was Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only). Defendant No.1 made payment of Rs. 6,85,74,000/- (Rupees Six Crore Eighty Five Lakhs Seventy Four Thousand Only). Hence pursuant to such payment, there was no debit balance in the account of Defendant No. 1. On 17th July 2013, the Pay-Out Obligation to Defendant No. 1 was 19,99,24,010 /- (Rupees Nineteen Crores Ninety Nine Lakhs Twenty Four Thousand Ten Only). Therefore, the Plaintiff made payment of 19,99,24,010 /- (Rupees Nineteen Crores Ninety Nine Lakhs Twenty Four Thousand Ten Only) to Defendant No. 1 on 17th July 2013. The total balance at the end of 17th July 2013 is, therefore, reflected as "0" in the ledger account of Defendant No. 1. Similarly, on all dates when Defendant No. 1 would make payment of its Pay-In Obligation as per the Obligation Report, the Plaintiff would make Pay-Out of the entire amount due and payable to Defendant No. 1 as per the Obligation Report and the net balance at the end of the day would be "0".

- u. The ledger account balances of the Defendant No. 1 at the end of each trade day would be either "Credit" / "Debit" or "0" and the same would be arrived at after reconciliation of the following: (i) The amount of credit / debit balance, if any at the end of the previous day;
- (ii) The payment made by Defendant No. 1 towards its Pay-In Obligation; and

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(iii) The amount of Pay-Out received by Defendant No. 1 in accordance with Pay-Out Obligation of the Plaintiff.

For instance: At the end of 22nd July 2013, the ledger balance on the account of Defendant No. 1 was "0". On 23rd July 2013, the Pay-In obligation of Defendant No. 1 was Rs. 12,12,37,488.05/- (which was inclusive of the WR Transfer Charges) against which Defendant No. 1 made payment of Rs. 12,12,00,000/-. Therefore, there was a shortfall by Rs. 37488.05/-. Thereafter, on 24th July 2013, the Pay In Obligation of the Defendant No. 1 was 150879646.42/- (which is inclusive of the shortfall of Rs. 37488.05/- of 23rd July 2013), against which the Defendant No. 1 made a payment of Rs. 15,08,00,000/- resulting in a net shortage of Rs. 11,73,134.4/-. Similarly, on all occasions when the Defendant No.1 made such deficit payments, the ledger of the Defendant No. 1, would reflect as net shortage.

- v. In this regard, it is pertinent to note that the bank pay-in and bank pay-out entries in the ledger account of Defendant Nos. 1 and 2 are consistent with the statement of Clearing Bank Account of Defendant Nos. 1 and 2. In this regard it is submitted that as an Exchange platform and as provided in the Rules and Byelaws, the Plaintiff deals only with its Members. The Members may be trading on their own account or on behalf of clients, but the trading and Settlement obligation is that of the Members i.e. the Defendant Nos. 1 and 2 in the present case. Hence, the Plaintiff requires each member to open a Settlement Bank Account. When a Member is supposed to make a pay in of funds, he is supposed to collect the funds from his clients who traded through the Member and deposit it in the Settlement Bank account. Similarly when a payout is made for a sale of commodity, the Member is supposed to pay the clients from out of the funds received from the Plaintiff Exchange in the Settlement Bank account. Hereto annexed and marked Exhibit "Q" and Exhibit "R" are copies of the statements of Clearing Bank Accounts of the Defendant Nos. 1 and 2 respectively. All amounts paid by the Defendant Nos. 1 or 2 in the Clearing Bank Account are credited in respective ledger and/or one of the sub-ledgers of the Defendant No. 1 or 2 respectively, depending on the purpose for which such amount

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is paid by Defendant Nos. 1. For instance: (i) If the amount is paid towards Initial Margin, the same will be credited in the Initial Margin Ledger. (ii) If the amount is paid towards daily obligations i.e. transaction charges, the same is credited in the Member Daily Obligation Ledger (iii) If the amount is paid towards Member's Obligations, the same is credited in the Member Daily Obligation Ledger.

w. The Defendant Nos. 1 and 2 continued to execute T+2 and T+25 contracts in the aforementioned paired manner and the ledger balances of the Defendant Nos. 1 and 2 were reconciled on day-to-day basis and all the Obligation Reports were sent to the Defendant Nos. 1 and 2 which indicate the debit and credit entries. It is extremely pertinent to note that Defendant Nos. 1 and 2 never disputed the ledger accounts or any of the Obligation Reports sent by Plaintiff and the ledger balance reconciled by Plaintiff on daily basis.

x. In April, 2012, the Exchange received a Show Cause Notice from the Ministry of Consumer Affairs (Ministry) Government of India (i.e. the Government) alleging violation of conditions of the Notification dated 05 June, 2007. The Plaintiff Exchange vide detailed letter dated 23 May, 2012 and follow-up letters dated 11 August 2012, 08 July, 2013 and 12 July, 2013 replied to the Show Cause Notice. The Plaintiff craves leave to refer to any rely upon the Notification dated 05th June, 2007, the correspondence exchanged between the Ministry and the Plaintiff and the Undertaking issued by the Exchange, when produced.

y. On 12th July, 2013, the Government addressed a letter directing the Plaintiff to furnish undertaking to the effect that:

- (i) No further/ fresh contracts shall be launched till further instructions from concerned authority;
- (ii) All the existing contracts will be settled on the due dates.

Hereto annexed and marked as Exhibit "S" is a copy of the said letter dated 12th July 2013.

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z. In pursuance of the requisition of the Government, the Plaintiff issued a circular bearing no. NSEL/TRD/2013/061 dated 22nd July 2013, thereby stating the following:

"In order to implement better risk management practices, the Exchange has made the following changes in the settlement procedure for the trades with effect from Tuesday, 23rd July, 2013:

- (i) *All contracts currently settled by delivery and payment beyond 11 days, will be settled on "T+10" days basis;*
- (ii) *All contracts which are currently settled on "Net Obligation" basis shall be settled on Trade to Trade basis. This includes all e-series contracts such as e-gold, e-silver, e-copper, e-zinc, e-lead, e-nickel and e-platinum".*

Hereto annexed and marked as Exhibit "T" is a copy of the said circular dated 22nd July 2013.

aa. In view of the above circular, all contracts introduced on the Plaintiff Exchange from 23rd July, 2013 were T+10 instead of T+25. All T+25 contracts executed prior to 23rd July, 2013 were to be settled on their respective original due dates. The Plaintiff continued to offer T+2 contracts. The steps involved in execution and performance of T+10 contracts were as under:

- (i) Step 1 (T): Trade is done by a member on "T" day i.e. a Selling member sells commodity and Buying member buys commodity.
- (ii) Step 2 (T): Trade file is sent to Buying and Selling Members respectively at end of "T" day on File Transfer Protocol ("FTP").
- (iii) Step 3 (T+9): Obligation report is generated by the Plaintiff Exchange and sent to the Buying Member on "T+9" day setting out the Buying Member's Pay-In Obligation for the total quantity, total value and charges if any.
- (iv) Step 4 (T+10): On "T+10", the Plaintiff Exchange sends bank file to the Clearing Bank to debit Buying Member's Clearing Bank Account by 9.00 AM. The Buying Member needs to ensure he deposits required money in his Clearing Bank Account on T+10. Upon receipt of response file from the Clearing Bank, the Plaintiff Exchange updates the Exchange system and

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sends bank file to Clearing Bank to credit the Selling Member's Clearing Bank Account.

bb. Pursuant to introduction of T+2 and T+10 contracts, several members of the Plaintiff Exchange executed T+2 and T+10 contracts in a paired manner. For instance, a Member would sell its commodity under T+2 contract on the "T" day and on the same day, such Member would enter into corresponding T+10 contract whereby the Member would buy equivalent quantity of commodity as sold under the T+2 contract from the same counter party. While both T+2 and T+10 contracts would be executed by a member on the same trade date, the settlement dates under both contracts would fall on different dates. The entitlement of the Member to receive pay-out amount under T+2 contract would become due on the 2nd business day from the trade date but the obligation to make pay-in would fall due on the 10th business day from the trade date.

cc. The Defendant Nos. 1 and 2 also traded in T+2 contracts and T+10 contracts from 23rd July, 2013 to 25th July, 2013 as detailed in the Trade Summary contained in hereto. The Pay-Out Obligation to Defendant Nos. 2 in respect of the T+2 (sale) contract executed by them was reflected on the 2nd business day from the trade date whereas the Pay-In Obligation of Defendant Nos. 1 in respect of its T+10 contract (purchase) was reflected on the 10th business day from the trade date.

dd. In light of the directions by the Government regarding compliance with the Notification, the Plaintiff Exchange addressed a letter dated 31st July, 2013 to the Government by which it stated as follows:

(i) Trading in all contracts, except e-series contracts, stands suspended until further notice;

(ii) Notwithstanding anything contained in the Bye-laws or any contract, it had been decided to merge the delivery and settlement of all pending contracts and to defer it for a period of 15 days and consequently, the

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positions outstanding in the contracts will be settled by way of delivery and payment after expiry of 15 days;

(iii) A revised settlement calender will be announced for contracts due for settlement after such 15 days period".

Hereto annexed and marked Exhibit "U" is copy of letter dated 31st July, 2013.

ec. On 31st July, 2013, the Plaintiff issued Circular (NSEL/TRD/2013/065) thereby suspending trading in all contracts, except e-series contracts and merging the delivery and settlement of all pending contracts. The Circular provided as follows:

(i) Trading in all contracts, except e-series contracts, stands suspended until further notice;

(ii) Notwithstanding anything contained in the Bye-laws or any contract, it had been decided to merge the delivery and settlement of all pending contracts with effect from today and to defer it for a period of 15 days and consequently, the positions outstanding in the contracts will be settled by way of delivery and payment after expiry of 15 days;

(iii) A revised settlement calender will be announced for contracts due for settlement after such 15 days period".

The Plaintiff states and clarifies that all T+2, T+25 and T+10 contracts executed by Defendant Nos. 1 and 2 were physical delivery contracts and not e-series contracts.

Hereto annexed and marked Exhibit "V" is copy of circular dated 31st July, 2013.

ff. As per the above circular dated 31st July, 2013, all open positions of Members were to be merged by 14th August, 2013. To ensure that, the activity of merging, reconciliation and dissemination of open positions are done timely; the positions were merged by the Plaintiff on 9th August, 2013 and the total outstanding amount towards the Pay-In Obligation of Defendant Nos. 1 was accordingly debited in the ledger account of Defendant Nos. 1 on 9th August, 2013. In this regard, it is clarified that the Pay-In Obligation of Defendant Nos. 1 in relation to all T+25 contracts

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traded until 4th July, 2013 were reflected on their respective due dates and the Pay-In Obligation of all contracts traded from 05th July, 2013 onwards was merged and reflected on 09th August, 2013. In this regard, the following illustrations are cited:

(A) T+25 Contracts

- (i) The Pay-In Obligation under T+25 contract executed on 28th June, 2013 is reflected on 05th August, 2013;
- (ii) The Pay-In Obligation under T+25 contract executed on 03rd July, 2013 is reflected on 07th August, 2013;
- (iii) The Pay-In Obligation under T+25 contract executed on 04th July, 2013 is reflected on 08th August, 2013;
- (iv) The Pay-In Obligations under all T+25 contracts executed on and from 05th July, 2013 is merged and reflected on 09th August, 2013.

gg. Similarly, the Pay-In Obligation of Defendant Nos. 1 in relation to all T+10 contracts traded until 25th July, 2013 were reflected on their respective due dates and the Pay-In Obligation of all contracts traded from 26th July, 2013 onwards was merged and reflected on 09th August, 2013. In this regard, the following illustrations are cited:

- (i) The Pay-In Obligation for T+10 contract executed on 23rd July, 2013 is reflected on 06th August, 2013.
- (ii) The Pay-In Obligation for T+10 contract executed on 24th July, 2013 is reflected on 07th August, 2013;
- (iii) The Pay-In Obligation for T+10 contract executed on 25th July, 2013 is reflected on 08th August, 2013;
- (iv) The Pay-In Obligations under all T+10 contracts executed on and from 26th July, 2013 was to be merged and reflected on 09th August, 2013.

hh. It is pertinent to note that due to settlement of new T+10 contracts introduced from 23rd July, 2013 and the settlement of previously traded T+25 contracts simultaneously on 07th August, the contracts traded on two dates i.e. on 03rd July

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and 24th July, 2013 became due for settlement, and on 08th August, the contracts traded on two dates i.e. on 04th July and 25th July, 2013 became due for settlement. With regard to the aforesaid, the Trade Summary contained hereto clarifies the original due date of all contracts traded on the Exchange platform and the corresponding ledger dates on which the pay-out / pay-in obligation became due.

ii. Irrespective of the aforesaid, it is important to note that even if the Plaintiff had not debited the account of Defendant Nos. 1 from 1st to 9th August, 2013 and would have merged the pay-out obligations under all outstanding contracts on 14th August, 2013, the total outstanding debit balance in the Accounts of Defendant Nos. 1 and 2 respectively would have been the same as is reflected presently.

jj. On account of the aforesaid merger of outstanding obligations, it was necessary to arrive at the final obligations for all defaulting members. Therefore, all the outstanding VAT amounts / Warehouse Receipt Charges were debited to the account of all members respectively on 9th August, 2013, and details of the same were duly reflected in the Obligation Report.

kk. On 03rd August, 2013, the Plaintiff issued Circular No. NSEL/TRD/2013/067, thereby stating that the pay-in received from all members on 29th July and 30th July, 2013 was refunded and all trades executed on 30th and 31st July, 2013 were reversed to avoid any further settlement obligations. Defendant No. 1's ledger account was credited on 31/07/2013 with Rs. 14,92,30,990/- as per obligation dated 31st July 2013. This obligation was pertaining to trades executed on 29th July, 2013. As per the above mentioned Circular dated 03rd August, 2013, as these trades were cancelled, the account of Defendant No. 2 was debited with Rs. 14,92,30,990/- on 5th August, 2013 as per obligation report.. Hereto annexed and marked Exhibit "W" is copy of circular dated 3rd August, 2013.

ll. On 08th August, 2013, the Plaintiff had decided to settle open trades for which its Members had defaulted to Pay-In. The Pay-Out for such trades was done to Seller Member's Account from Settlement Guarantee Fund / Exchange Fund maintained

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by the Plaintiff as pay-in obligation had not been performed by the defaulting members. However, as the trading system does not allow the Plaintiff to settle any position when there is a shortage in Buyer Member's Account, it was necessary to give temporary credit (pro forma) in the defaulter member's account, which was done in Defendant No. 1's account, and same was reversed post the activity. Such entry is reflected in the ledger account of Defendant No. 1 on 8th August, 2013. It is therefore pertinent to note that the credit entry on 8th August, 2013 is only a proforma entry and such amount was not actually paid by Defendant No. 1.

mm. It is further pertinent to note that there are many contra entries in the Ledger Account of Defendant No. 1 exactly for the same amounts. These are for various reasons and reflected across the board in all Member Accounts due to re-generation of obligations. In any case, these entries have no effect on the actual position since these are contra entries. Hereto annexed and marked Exhibit "X" and Exhibit "Y" are copies of the notes in tabular form explaining each Ledger Entry backwards from 13th September 2013 until 30th July 2013, and each Ledger Entry from (11th June 2013) until (17th July 2013) in all three sub-ledgers i.e. Initial Margin A/c, Member's Daily Obligations A/c and Member's Delivery Obligations A/c of the Defendant No. 1.

nn. It is further pertinent to note that there are many contra entries in the Ledger Account of Defendant No. 1 exactly for the same amounts. These are for various reasons and reflected across the board in all Member Accounts due to re-generation of obligations. In any case, these entries have no effect on the actual position since these are contra entries. Hereto annexed and marked Exhibit "Z" and Exhibit "AA" are copies of the notes in tabular form explaining each Ledger Entry backwards from 13th September 2013 until 30th July 2013, and each Ledger Entry from 13th June 2013 until 25th June 2013 in all three sub-ledgers i.e. Initial Margin A/c, Member's Daily Obligations A/c and Member's Delivery Obligations A/c of the Defendant No. 1. The above mentioned credit entries are only pro forma entries and not because of any pay-in by Defendant No. 1.

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oo. As seen from the ledgers annexed hereto, the total sum of Rs. 333,00,99,643.17 (Rupees three hundred and thirty three crores ninety nine thousand six hundred and forty three and paise seventeen only) is due and outstanding by the Defendant No. 1 on and from 9th August 2013. The said sum is arrived at after considering credit balance of Rs. 15,14,99,946.26/- towards the Initial Margin as on 31/07/2013 and debit balance of Rs. 3,95,767.83/- being the debit balance of Member Daily Obligation Account as on 02/08/2013, as more particularly detailed in Particulars of Claim contained in Exhibit "BB" hereto.

pp. In August 2013, post suspension of trading on the exchange platform, the Plaintiff appointed an independent agency namely, SGS India Pvt. Ltd. ("SGS"), to survey the stocks at various warehouses including the said warehouse/property which was in control of Defendant No. 2, with the object of verifying the quantity of goods deposited by each member. On 6th and 7th September, 2013, the SGS team visited the 1st Defendant's premises situated at *Khasra Nos. 106/319, 106/251, 106/255, 106/99, 106/102 & 103, Kherakalan, Delhi and Khasra No. 398/2, Village Hameedpur, Delhi 110 036* respectively to conduct an audit, however, they were prevented by its management from entering its warehouses and conducting the audit. The Plaintiff verily believes that the Defendant Nos. 1 and 2 have used/distributed and will continue to use/distribute the various commodities at the said warehouse, for their own personal gains, contrary to its obligations under the contracts, and adverse to the legal rights of the Plaintiff. It is important to mention here that Defendant Nos. 1 and 2 are obliged to satisfy the Plaintiff that they are in possession of the physical commodities and they are obliged to deliver as per the obligations undertaken in the sale contracts executed by them. Hereto annexed and marked as Exhibit - "CC" are the copies of the SGS Reports dated 6th and 7th September 2013.

qq. In light thereof, the Plaintiff called upon Defendant Nos. 1 to make the payment as due and payable for the said Outstanding Trades undertaken by the Defendants Nos. 1 and 2 on the Plaintiff Exchange because the settlement period came to an end and the trades were required to be settled vis-à-vis the various buyers and/or sellers.

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- rr. The Plaintiff states that on closure of trading on the Exchange, as per the Bye-laws, the Plaintiff was required to settle all the trades by a method of pay-in and/or pay-out or, by an actual delivery of the commodities traded to the various buyers. The Plaintiff states that the Plaintiff, being an Exchange, is a facilitator of the various trades effected and is, therefore, responsible for closing the trades as per the relevant Bye-laws and Rules of the Plaintiff Exchange.
- ss. The Plaintiff states, therefore, that in view of the above, the Defendant Nos. 1 and 2 were liable to pay the outstanding amount (with interest) in respect of the said Outstanding Trades, to the Plaintiff. The Plaintiff states that the Plaintiff was entitled to receive and recover the amount under the bye-laws, rules and the contracts, as facilitator of the trades which were executed on the Plaintiff Exchange. The Plaintiff states that the commodities brought in by the Defendant Nos. 2, if any and if available, in the exchange designated warehouses, are liable to be auctioned in accordance with the relevant Bye-laws and Rules, of the Plaintiff Exchange and the proceeds applied towards Defendant No. 1's liability. In the event that Defendant Nos. 2 has not deposited the commodities sold by it under its sale contracts and / or surreptitiously removed / used or disbursed the said commodities from the said warehouses on its own accord, contrary to its obligation under the contracts, they are liable to make good the loss thereof to the Plaintiff exchange.
- tt. The Plaintiff states that the Exchange tried to amicably resolve the disputes between the various trading members and the buyers on the Exchange. The Plaintiff states that a meeting was convened in the presence of a representative of the Government (through the Forward Market Commission) and an Agreement was arrived at under which Defendant Nos. 1 and 2 agreed to make payment of the then outstanding amount of approximately Rs. 295 crores (which was subject to reconciliation) in 20 weekly instalments. The Defendant Nos. 1 issued letters dated 1st August 2013 whereby they expressly acknowledged their unconditional and absolute liability towards the Plaintiff and promised to make payment. Hereto annexed and marked

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as Exhibit "DD" is copy of the Letter dated 1st August 2013. The Defendant Nos. 1 however, failed to adhere thereto and defaulted on the said payments and failed and neglected to perform their obligations towards the Plaintiff. The Defendant No. 1 did not make any payment whatsoever.

uu. The Plaintiff states that the Defendant No. 1 failed to make the payment and on such default in payment of the instalment amounts, the Plaintiff has, in accordance with the relevant Bye-laws and Rules of the Plaintiff Exchange, taken further steps to declare Defendant Nos. 1 and other similarly placed trading members as defaulters ("defaulter Trading Members").

vv. Since it became apparent to the Plaintiff that the Defendant Nos. 1 had no intention of honouring their obligations towards the Plaintiff Exchange and thereby to the various buyers, on 22nd August 2013, the Plaintiff issued default notices to Defendant Nos. 1 calling upon it to make payment of the admitted outstanding amount. Hereto annexed and marked as Exhibit "EE" is copy of the said default notices.

ww. The Plaintiff states that, despite receipt of the said notice by the Defendant Nos. 1, the Defendant No. 1 continued not to make any payment of the outstanding amounts due to the Plaintiff in pursuance of the said Outstanding Trades.

xx. Since the Defendant Nos. 1 were disagreeing on the amounts owed to the Plaintiff, the parties initiated a conciliation process under the Arbitration and Conciliation Act, 1996 and appointed a Conciliator. Pursuant thereto, the Conciliator assisted the parties to formulate terms of a possible settlement and a Settlement Agreement came to be drawn up, whereby the Defendant Nos. 1 and 2 alongwith MIPL agreed that they would pay an amount of Rs. 771 crores in full and final satisfaction of the Plaintiff's claim of approximately Rs. 992 crores plus interest thereon as on that date and the Plaintiff agreed to the same, subject to the various conditions enumerated in the Settlement Agreement. The Settlement Amount of Rs. 771 crores was agreed to be paid by the Defendant Nos. 1 and 2 along with MIPL in the following manner:

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- (i) Rs. 11 crores simultaneous to the execution of the Settlement Agreement;
- (ii) Rs. 725 crores was to be paid in 12 monthly tranches starting on 2nd December 2013 and ending on 31st October 2014, with no extensions permissible for payment of the first 5 monthly tranches, a maximum extension of 15 days being permissible for payment of the 6th to 10th tranches and an aggregate maximum extension of 60 days being permissible for the last two tranches; &
- (iii) Rs. 35 crores by way of an assignment in the Plaintiff's favour of a debt of Rs. 35 crores owed by Mr. S.R. Bhalotia to the Defendants Nos. 1 & 2 and MIPL, and in respect of which the Defendant Nos. 1 & 2 and MIPL agreed to execute a assignment deed and do other corollary acts to ensure a valid and binding assignment and enable the Plaintiff to legally and contractually be in a position to recover the debt from Mr. Bhalotia.

Additionally, in case of a default by the Defendant Nos. 1 & 2 and MIPL to pay the amount of the first payment of Rs. 11 crores, the Plaintiff was to become entitled to receive a sum of Rs. 150 crores as damages from the Defendant Nos. 1 & 2 and MIPL, and in case of a default in payment of the second payment of Rs. 59 crores, the Plaintiff was to become entitled to forfeit the sum of Rs. 11 crores and receive a sum of Rs. 139 crores as damages from the Defendant Nos. 1 & 2 and MIPL.

That apart, the Defendant Nos. 3 and 4 expressly agreed and guaranteed that they would be personally liable, jointly and severally, to pay the amounts agreed under the Settlement Agreement to the Plaintiff in their individual capacity and also agreed that their personal properties could be utilized to recover the payments in case of any defaults. Moreover, the Defendants No. 6 to 10 agreed, in terms of the Settlement Agreement, that they would simultaneously create a mortgage by way of deposit of title deeds in the Plaintiff's favour in respect of the properties listed in Clause 2.3.1 thereof and also execute such other documentation as would be necessary for the Plaintiff to be able to own, sell, transfer and alienate the said properties at its own discretion. Hereto annexed and marked as Exhibit "FF" is a copy of the said Settlement Agreement.

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yy. The Plaintiff states that though to facilitate settlement and with a intention to recover the amounts due and payable by the Defendants to the Plaintiff, the Plaintiff had agreed to an amount of Rs 771 crores (out of total of Rs 922 crores i.e. Rs. 347,02,21,357.12 (Rupees Three hundred and forty seven two lakhs twenty one thousand three hundred and fifty seven and paise twelve only) due and payable by the Defendant Nos. 1 & 2 alongwith the amounts due and payable by Mohan India Pvt. Ltd.). However as per the Settlement Agreement if the parties/defendants defaulted in paying the amount as mentioned therein, then the reduced amount of Rs 771 crores would be payable alongwith damages of Rs 139 crores, further the Plaintiff would also be entitled to forfeit the amount of Rs 11 crores paid under the Settlement Agreement in view of the above, the Plaintiff is entitled to seek recovery of the entire amount which is due and payable by Defendant No.1 to the Plaintiff Exchange.

zz. Pursuant to the execution of the Settlement Agreement, the Defendant Nos. 1 and 2 committed a default in payment of the very first monthly tranche of Rs. 59 crores and failed to pay the same, or any part thereof, before the due date of 2nd December 2013 and has, in fact, failed to pay the same till date inasmuch as Defendant No, 2 has not made any payment and MIPL has only paid a sum of about Rs. 17.85 crores over a period of 10 months after the passing of the original due date. The Defendant Nos. 1 and 2 have also failed to pay the other monthly tranches as agreed. Accordingly, in terms of the Settlement Agreement, a material breach has taken place and the Plaintiff has stood entitled to forfeit the first payment of Rs. 11 crores and recover damages of Rs. 139 crores from the Defendant Nos. 1 & 2 over and above the Settlement Amount less any payments received thereafter till date. The same is subject to approval of the FMC, in view of certain orders passed in Writ Petition No. 289 of 2014, by this Hon'ble Court. Accordingly, on 7 November 2013 a letter was addressed by the Petitioner to FMC enclosing a copy of Settlement Agreement entered into between Petitioner and Mohan India Group (including Defendant No 1, 2 alongwith MPIL and other entities). Subsequently, on 28 November 2013 the FMC addressed a letter to Petitioner, raising certain queries

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regarding the Settlement Agreement, which were answered by Petitioner vide its letter dated 10 January 2014. Thereafter, on 11 April 2014 the FMC addressed a letter to Petitioner, refusing to grant its approval to the Settlement Agreement. Hereto annexed and marked as Exhibit – GG, HH, II, and JJ are the said letters dated 7 November 2014, 28 November 2014, 10 January 2014 and 11 April 2014 respectively.

aaa. The Defendant Nos. 1 and 2 have acted upon the Settlement Agreement, received benefits thereunder and have caused the Plaintiff to also act thereupon. In fact, the Defendant Nos. 1 relying upon the Settlement Agreement and filed Miscellaneous Application Nos. 98 of 2013, 107 of 2013 and 33 of 2014 and have sought various reliefs from the Hon'ble Special MPID Court at Mumbai on the basis thereof, and have been granted various reliefs by that Hon'ble Court. The Settlement Agreement is therefore binding on the Defendant Nos. 1 & 2 as also their directors and shareholders, and they are therefore estopped from disputing the same. The Plaintiff craves leave to refer to and rely upon the papers and proceedings of the said Applications, as and when produced.

bbb. In the premises, the Plaintiff states that Defendant No. 1 and Defendant No. 2 have admittedly entered into contracts (the Outstanding Trades) and are liable to pay the outstanding amounts of Rs. 3470221357.123/- that have fallen due thereunder, along with interest thereon at 18% per annum from the due dates until payment and/ or realization thereof. Clearly, the Defendant No. 1 and 2 have acted upon the Outstanding Trades, received benefits thereunder and caused the Plaintiff Exchange (as also the various counterparty buyers) to act in furtherance of the Outstanding Trades, and the same are therefore binding upon the Defendant No. 1 and 2, and they are estopped from disputing the same and/ or its liability thereunder.. The Defendant Nos. 3 & 4 are the Directors and shareholders of Defendant No. 1 and 2 and are in charge of and responsible for the affairs of the Defendant No. 1 and 2, and as such, they are also liable to jointly and/ or severally pay the amounts due from the Defendant Nos. 1 and 2 to the various counterparty investors under the Outstanding

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Trades. Furthermore, the Defendant Nos. 1 and 2 in collusion with the erstwhile Managing Director of the Plaintiff and some of the managerial staff who directly reported to him have orchestrated and played a fraud on the Plaintiff and the counterparties to the Outstanding Trades by seeking to represent to and assure them that the commodities sold thereunder had been duly deposited in the warehouses designated by the Plaintiff, which representations were false to their own knowledge and which were deliberate and with an intent to defraud the Plaintiff and the counterparties, and have thereby caused the counterparties to the Outstanding Trades to part with their monies and enter into the Outstanding Trades on the basis of such fraudulent representations and assurances, and this is patently evident on account of the fact that the inspection of the designated warehouses (wherein the Defendant Nos. 1 ought to have placed the commodities under their sale contracts) has clearly demonstrated that the requisite amount of commodities required to be deposited therein have not been deposited at all and is in fact not available and therefore are not available to the Plaintiff Exchange for the purpose of delivery to the buyer or sale and realization of the amounts due from the Defendant Nos. 1 and 2 under the Outstanding Trades, and these Defendants are for this reason liable to pay the amounts payable under the Outstanding Trades. The Plaintiff is also entitled to recover a sum of Rs. 50.20 crores from Defendant No 1 and Rs. 2.11 crores from Defendant No 2 being the pro-rata amount of damages of Rs. 139 crores that are stipulated as payable under the Settlement Agreement consequent to the Defendant Nos. 1 and 2 breaches alongwith breaches committed by MIPL thereof and defaults thereunder. The Plaintiff is also entitled to seek enforcement of the obligations undertaken by the 3rd & 4th and 6th to 10th Defendants to secure its claim as per the provisions of the Settlement Agreement entered into between the parties.

ccc. The Plaintiff states that when the independent auditors SGS appointed by the Plaintiff visited the concerned warehouses on 6th and 7th September 2013, it became clear that the Defendant No. 2 had either not brought in or has surreptitiously disposed of or shifted the said commodities, resulting in a breach of Defendant No. 2's obligations towards the Plaintiff and also towards making the commodities

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available to the buyer or to compensate them by refunding with interest the amount received by them. The Plaintiff says that the Defendant Nos. 1 is in default of a huge amount of money which is due to various investors. The Plaintiff states that the Plaintiff has a right in its own capacity as well as a responsibility to recover the aforesaid outstanding amount of Rs. 3470221357.12/- from Defendant Nos. 1 (and also from Defendant Nos. 3 & 4 and 6 to 10) by taking all steps necessary including but not limited to adjustment of the margin amount deposited by Defendant Nos. 1 and 2 with the Plaintiff Exchange, by taking possession of the stock of commodities, by taking over the collateral securities of Defendant Nos. 1 and 2 and by adopting appropriate legal proceedings for attachment and sale of the assets/properties of Defendant No. 1. The Plaintiff has marked and annexed a list of the various assets/properties of Defendant Nos. 1 as Exhibit "KK" to the present Suit.

ddd. As mentioned hereinabove, the inspection reports filed by SGS clearly establish that the Defendant Nos. 2 have either failed to deposit or has surreptitiously removed the commodities from the designated warehouses. The Plaintiff therefore submits that, it is apprehended that the Defendant Nos. 2 did not store the required goods in the warehouses. In this regard, it is imperative that the Defendant Nos. 1 and 2 furnish before this Hon'ble Court, their respective financial statements and Income Tax returns and sales tax, and VAT returns for the period during which they traded on the Plaintiff's Exchange platform to ascertain / identify as to how the Defendant Nos. 1 and 2 treated these transactions for the sale / purchase of the commodities on the Plaintiff Exchange's Platform.

cee. The Plaintiff submits that the aforesaid facts clearly demonstrate the lack of bona fides on the part of Defendant Nos. 1 and 2. The Plaintiff states that if immediate steps are not taken to secure the claim of the Plaintiff, the Defendant Nos. 1 and 2 will take all available/possible steps to ensure that the same is defeated. The Plaintiff submits that Defendant Nos. 1 and 2 having already disposed of/siphoned off/shifted the commodities located in the said warehouse/property, have committed a grave breach of trust and the Defendant Nos. 1 has wilfully defaulted on their obligations

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towards the Plaintiff Exchange as well as to the various buyers who have traded with them through the Plaintiff Exchange. The Defendant No. 1 and 2 has traded on the Plaintiff's Exchange on its their own behalf respectively who have siphoned of the amounts received by them from the Plaintiff Exchange on account of the trading done. It is pertinent to mention that the investigating authorities namely Economic Offences Wing and Enforcement Directorate have stated in various newspaper articles that Defendant Nos. 1 and 2 alongwith MIPL have siphoned off the aforesaid amounts and utilized the same towards buying real estate. In view of the above, the Plaintiff apprehends that, the Defendant No. 1 and 2 in connivance with Defendant Nos. 3 & and 6 to 10, will deal with the assets in their control and possession and therefore exhaust the monies and / or their assets in such manner to defeat the claim of the Plaintiff's Exchange. The Defendant Nos. 3 to 5, as Directors / Shareholders / Auditors, are in effective control of Defendant Nos. 1 and 2 are therefore in charge of the day to day affairs of the Defendant Nos. 1 and 2. It is submitted that the enquiry by the EOW clearly indicates that the persons in charge of Defendant Nos. 1 and 2 have utilized the monies for their own ulterior motives thereby seeking to defeat and defraud the claim of the Plaintiff.

fff. It is submitted that in light of this fact a clear case for protection of the Plaintiff's interest and monies siphoned off by Defendant Nos. 1 and 2 is made out, particularly in light of the various news reports / statements made by the officers of the EOW investigating the matter. Hereto annexed and marked as Exhibit "LL" and "MM" are the copies of the said newspaper articles. The Plaintiff therefore submit that it is necessary, expedient and in the interest of the public as well as in the interest of justice that this Hon'ble Court be pleased to pass the necessary orders/directions to secure the claim of the Plaintiff by restraining Defendant Nos. 1 to 10 from disposing of, alienating, encumbering, parting with possession and / or otherwise creating third party rights in respect of its assets, both movable and immovable, details of which are contained in Exhibit KK hereto.

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ggg. As regards, the accounts of Defendant Nos. 1 and 2 in the aforesaid Banks as detailed in paragraph 7 (d) hereinabove are concerned, the Plaintiff submits that Defendant Nos. 1 and 2 have traded on the Plaintiff Exchange through the accounts held with these Banks. The Plaintiff states that, pursuant thereto, the Plaintiff apprehends that the monies received by Defendant No. 1 on account of the defaults committed by the them are being siphoned from the said accounts to some other accounts held by Defendant Nos. 1 and 2.

13. Admittedly the Defendant Nos. 1 and 2 hold accounts with the banks as mentioned in paragraph 7 (d) hereinabove and these accounts have received monies from the Defendant Nos. 1 and 2. Given the background and the facts mentioned hereinabove it is imperative, therefore, that the Defendant Nos. 1 and 2 be directed to: (1) disclose to this Hon'ble Court, the details of the accounts including the details of the funds debited and credited by them, in order to facilitate and understand the tracing of funds deposited or withdrawn by Defendant Nos. 1 and 2 for the period during which they traded on the Plaintiff's Exchange platform,; and (2) issue an injunction / direction / order restraining the Defendant Nos. 1 from altering / changing / permitting any transfer/encumbrance in respect of its shares/capital structure. The Plaintiff submits that this is of utmost importance as the funds deposited in these accounts were on account of the trading done on the Plaintiff Exchange.

14. The Plaintiff states that Defendant No. 5 being the Auditors of Defendant Nos. 1 and 2 are equally responsible for defaults created by Defendant Nos. 1 and 2 on Plaintiff Exchange. The said Defendant No. 5 by misusing their position and misleading the Plaintiff by suppressing information from them, colluded and conspired with Defendant Nos. 1 and 2 by certifying false information regarding sufficiency of goods at the warehouses of Defendant Nos. 1 and 2, for their own personal gains and unjustly enriched themselves at the expense of a large number of counterparties to the trades carried out by Defendant Nos. 1 and 2 as more particularly set out hereinabove. Defendant No. 5 for the purpose of carrying out the audit were also to survey the stocks at the warehouses in control of Defendant Nos. 1 and 2 and to verify the quantum of

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goods available at the said warehouse of Defendant Nos. 1 and 2 which was deposited by Defendant Nos. 2 and also issue reports about sufficiency of goods at the said warehouse against the trades they had entered into on the Plaintiff Exchange. The Defendant Nos. 1 and 2 in connivance with the Defendant Nos. 3 and 4 used the various commodities at the said warehouse, for their own personal gains, and to the exclusion of the legal rights of the Plaintiff and the Defendant No. 5 suppressed this fact and instead assured through their audits that there were sufficient amount of goods available at the warehouse of Defendant Nos. 1 and 2. The Plaintiff submits that therefore, this Hon'ble Court be pleased to direct by an order of injunction directing Defendant No. 5 to produce documents including copies of all the audit reports issued by them from time to time relating to the transactions of Defendant Nos. 1 and 2 and therefore the Plaintiff prays that appropriate action be taken against Defendant No. 5.

15. The Plaintiff further states that the Plaintiffs have filed complaints against the various defaulting Trading Members with the Economic Offences Wing of the Mumbai Police, on account of their failure to maintain goods at the said designated warehouses as required, the Economic Offences Wing of the Mumbai Police. The Plaintiff states that, one Mr. Pankaj Saraf has also filed a complaint with the Economic Offences Wing and on the said complaint, Economic Offences Wing has filed an FIR bearing No. 89 of 2013 on 30th September 2013.

16. The Plaintiff states that Defendant Nos. 3 and 4 have clearly benefited from the defaults that have occurred on the exchange platform. The Plaintiff states that the Defendant Nos. 3 and 4 as shareholders and directors of Defendant Nos. 1 and 2 and 6, and 10 have benefited from the monies deposited in the Bank Accounts of Defendant Nos. 1 and 2. Without prejudice to the above, the Plaintiff states that the Defendant Nos. 1 and 2 are in fact simply vehicles to perpetuate the illegalities which were conceived by Defendant Nos. 3 and 4, 7 and 8 and which illegalities were for the sole benefit of Defendant Nos. 3 and 4, 7 and 8.

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17. The Plaintiff states that pursuant the investigation being carried out by the EOW in EOW CR No. 89/13 U/Sec 465, 467, 468, 471, 474, 477(A), 120(B) IPC (PS MRA Marg CR No. 216/13) (being FIR No. 216/2013 registered at MRA Marg Police Station), the properties of the Defendant Nos. 1 and 2 were attached.
18. Pursuant to the said defaults committed by the said defaulting members including Defendant No. 1, various Civil as well as Criminal proceedings have been filed by and against the Plaintiff in which various investigating agencies are involved. In view of the above, one of the investigating agencies, in order to secure the amount due and payable by Defendant No. 1, have attached certain properties owned by Defendant No. 1, their Directors and other concerned parties.
19. The Plaintiff also apprehends and verily believes that the properties attached by the EOW have been purchased utilizing the monies received by the said Defendant Nos. 3 and 4 through Defendant Nos. 1 and 2, while trading on the Plaintiff Exchange. The Plaintiff states that these monies are in fact payable to the various trading members whose contracts currently stand outstanding and towards whose claim the Plaintiff has instituted various proceedings in its capacity as the facilitator and legal counter party to the trades. The Plaintiff states that Defendant No. 1 and 2 may sell, dispose of or create third party rights, further encumber, or create a mortgage / charge on the said immovable properties or assets in possession and control of Defendant Nos. 1 and 2, which properties are owned by the monies received from the defaults committed on the Exchange.
20. The Plaintiff states that if the said properties or assets in possession and control of the Defendant Nos. 1 and 2, are sold or transferred or the possession is handed over, the same would affect the rights of the investors, whose interests are vested in the said properties / assets as these properties / assets were ostensibly acquired by Defendant Nos. 1 and 2 using the monies received by them on account of trading on the Plaintiff exchange and which monies are liable to be repaid towards the outstanding trades.


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21. The Plaintiff states that similarly if the properties or assets belonging to, and in the possession of the Defendant Nos. 6 to 10 (*which are/ were to be mortgaged by them in the Plaintiff's favour, pursuant to the Settlement Agreement*) are sold or transferred or the possession is handed over, the same would affect the rights of the Plaintiff and the investors, whose interests are vested in the said properties / assets as these properties / assets were expressly provided/ to be provided to secure the payment of the Settlement Amount under the Settlement Agreement.
22. The Plaintiff states that Defendant Nos. 1 and 2's conduct is blatantly dishonest and is committed with an intention to defraud the Plaintiff and various buyers *inter alia* by disposing of the various commodities which formed the basis for the said Outstanding Trades to defeat / delay the Plaintiff's Claim. The Plaintiff states that the aforesaid conduct on the part of Defendant Nos. 1 and 2 is with a view to defeat the claim of the Plaintiff which is required to be honoured and complied with for the purpose of discharging the liabilities owed to the investors who have undertaken trades on the Exchange. The Plaintiff states that there is a serious apprehension of Defendant Nos. 1 and 2 disposing of other assets in a similarly surreptitious manner as has been done with regard to the said commodities which were traded on the exchange and which commodities Defendant Nos. 1 was holding on behalf of the Plaintiff Exchange. The Plaintiff therefore submits that this is an imminently fit case to secure the claim of the Plaintiff by attachment of all the assets of Defendant Nos. 1 and 2 since the liabilities of these Defendant Nos. 1 and 2, runs into almost Rs. 350 crores and the acts of Defendant No. 1 and 2 are consistent with an intention to defeat and defraud the claim of the Plaintiff which is manifestly evident by their act of restricting inspection of the exchange designated warehouses wherein the said commodities which were traded on the Exchange platform are contained.
23. The Plaintiff submits that by the time the present Suit is finally heard and disposed of by this Hon'ble Court, there is every likelihood that, in the interim, the Defendants will re-structure their business and/ or dissipate/siphon off its assets. This will render any decree that may come to be passed in the Plaintiff's favour into a paper decree.

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Accordingly, the Plaintiff submits that, pending the hearing and final disposal of the present Suit, it would be just, convenient and necessary for this Hon'ble Court to grant interim measures of protection in the Plaintiff's favour.

24. The Plaintiff submits that there is grave urgency in the matter in as much as not only is the Defendant obstructing and preventing the Plaintiff from taking inspection and possession of the commodities in the said warehouse/property, but the Plaintiff verily believes that the Defendants are in the process of disposition of the various commodities located therein. Further, the Plaintiff verily believes that the Defendant Nos. 1 and 2 with a view to defeat the legitimate rights and claim of the Plaintiff Exchange as well as the various counterparties trading clients who have traded with the Defendants in the Outstanding Trades, will dispose of their various businesses/assets and their movable and immovable properties so as to take the same out of the reach of the Plaintiff Exchange. The Plaintiff submits that once these various businesses/assets are dissipated / siphoned off irretrievable injury will be caused both to the Plaintiff Exchange as well as to the various counterparty investors / trading clients. Accordingly, the Plaintiff submits that it is imperative that pending the hearing and final disposal of the present petition, the reliefs mentioned above be granted at the ad-interim stage itself.

25. The Plaintiff submits that if the aforesaid interim and ad-interim reliefs are not granted, it will suffer grave and irreparable harm, loss and injury incapable of being compensated in terms of money, in as much as they may never be able to recover amounts which are admittedly due and payable to them by the Defendants. The Plaintiff Exchange will also suffer grave and irreparable harm in so far as it will have tremendous difficulty in settling (with the various third party investors) the various outstanding Trades executed by the Defendants on the Plaintiff Exchange. It is therefore important that the interim and ad-interim reliefs as sought herein be granted to protect the interest of investors at large and to restore the confidence of market participants at large. On the other hand, if the said reliefs are granted, the Defendants will suffer no harm, loss or prejudice of any nature whatsoever in as much as an

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aggregate amount of almost Rs. 34702,21,357.12 (Rupees Three Hundred and Forty Seven Crores Two Lakhs Twenty One Thousand Three Hundred and Fifty Seven and twelve paise only) plus interest thereon at 18% per annum from the due date of payment until payment and/ or realization thereof, which is admittedly due and payable to the Plaintiff. The Plaintiff further submits that it has an excellent case on merits, considering the admitted liability of Defendants Nos. 1 to 10. The balance of convenience is therefore in favour of the ad-interim and interim reliefs being granted in the Plaintiff's favour.

26. The Plaintiff's Exchange Platform is situated in Mumbai and all trades have been and are executed on its platform situated in Mumbai, within the jurisdiction of this Hon'ble Court. The Claim in the Suit arises in relation to those transactions. The Defendant No. 1 and 2, paid the requisite deposits and fees and provided various documents to the Plaintiff in support of and for the purpose of processing and acceptance of its membership application to the Plaintiff at its office in Mumbai. The Plaintiff scrutinized and approved the Defendant No. 1's membership application at its office in Mumbai, and issued all correspondence in respect thereof and the membership certificate from its office in Mumbai. The settlement and delivery in respect of the Outstanding Trades was required to take place in Mumbai (at the Plaintiff Exchange) also the amounts due and payable by the Defendant Nos. 1 and 2 under the Outstanding Trades were payable to the Plaintiff. Part payments were made by the Defendants under the Settlement Agreement in Mumbai, and received by the Plaintiff in Mumbai. The aforesaid material part cause of action for the present Suit has therefore arisen in Mumbai, within the jurisdiction of this Hon'ble Court. However, some of the fraudulent acts were committed outside Mumbai and that part of the cause of action has arisen outside Mumbai. The Defendant Nos. 1 to 10 have their offices and carry on business in New Delhi. Furthermore, Clause 11.11 of the IBT Undertaking executed by the Defendant Nos. 1 and 2, specifically stipulates that *"...[i]n relation to any legal action or proceedings for any urgent, interlocutory or final orders, the parties irrevocably submit to the exclusive jurisdiction of the courts in Mumbai, and waive any objection to such proceedings on grounds of venue or on*

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the grounds that the proceedings have been brought in an inconvenient forum or that the Services were used/accessed/availed in a different domestic/international territory". Moreover, Clause 7.10 of the Settlement Agreement specifically provides that "all disputes arising from or in connection with this Settlement Agreement shall be submitted to the competent court of Mumbai". This Hon'ble Court will therefore have jurisdiction to entertain, try and decide the present Suit with leave granted to the Plaintiff under Clause XII of the Letters Patent, which the Plaintiff seeks.

27. It is pertinent to note here that an arbitration agreement exists only between the Plaintiff and Defendant Nos. 1 and 2 under the Bye-Laws of the Plaintiff exchange as well as under Clause 11.11 of the Undertaking for Online Trading executed by each of the Defendant Nos. 1 and 2. Similarly, arbitration agreements separately exist only between the Plaintiff and Defendant No. 2 under the Bye-Laws of the Plaintiff exchange as well as under Clause 11.11 of the Undertaking for Online Trading executed by the Defendant No. 2. However, in light of the execution of the Settlement Agreement which does not contain an arbitration clause but in fact contains a clause conferring exclusive jurisdiction in respect thereof on the courts at Mumbai, coupled with the fact that the cause of action for the present Suit is beyond the scope of the arbitration agreements and is also based on the Settlement Agreement and various reliefs are being sought jointly against the various defendants (*most of whom are not parties to the arbitration agreements*), the Plaintiff is constrained to file the present Suit and approach this Hon'ble Court as the subject matter of this suit and the claims therein cannot be referred to arbitration. In fact the Plaintiff had filed Arbitration Petition No. 23 of 2014 against the Defendant Nos. 1 and 2 seeking certain reliefs under Section 9 of the Arbitration and Conciliation Act. However, in light of the various facts that have unravelled and set out hereinabove, indicating the collusive and fraudulent conduct of Defendant Nos. 1 to 5 as also the execution of the Settlement Agreement, the said Petition was withdrawn with express liberty to file the present suit. Hereto annexed and marked as Exhibit "NN" is a copy of the Order dated 8 October 2014.



28. The cause of action for the present Suit first arose in August 2013 when the Defendant No. 1 failed to honour its payment obligations in respect of the Outstanding Trades and when the fraud played by the 1st to 10th Defendants in collusion with the erstwhile Managing Director of the Plaintiff and some of the managerial staff who directly reported to him upon the Plaintiff and the counterparties to the Outstanding Trades came to the knowledge of the Plaintiff for the first time. This was actually concealed from the Plaintiff who despite due-diligence could not discover the same prior thereto. The fact giving rise to the Plaintiff's right to sue came to their knowledge for the first time only in August 2013. The cause of action for the present Suit arose again when the Defendant Nos. 1, 2, 3, 4 and 6 to 10 defaulted in their obligations under the Settlement Agreement for the first time in December 2013 and have continued to default thereafter, and the cause of action continues to arise upon every such default. The Suit is therefore in time.

29. The Plaintiff's claim in the present Suit is valued at Rs.3470221357.12 (Rupees three hundred and forty seven cores two lakhs twenty one thousand three hundred and fifty seven and paise twelve only) and the Plaintiff has accordingly paid the maximum ad-valorem court fees of Rs. 3,00,000/- in respect thereof.

30. One Mr. Santosh Dhuri, a Senior Executive of the Plaintiff, who is aware of and able to depose to the facts of the case and competent to do so, has signed and declared the Plaintiff.

31. The Plaintiff shall rely on documents, a list whereof is annexed hereto.

32. THE PLAINTIFF, THEREFORE PRAYS

a. that the Defendant Nos. 1 to 4 and 6 to 10 be jointly and/ or severally ordered and decreed to pay to the Plaintiff a sum of Rs. 3470221357.12 (Rupees three

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hundred and forty seven cores two lakhs twenty one thousand three hundred and fifty seven and paise twelve only) , along with interest thereon at 18% per annum from 15th August 2013 until payment and/ or realization thereof, as per the Plaintiff's Particulars of Claim contained in Exhibit BB hereto;

b. without prejudice, to prayer clause (a) above, Defendant Nos. 1, 2, 3, 4 and 6 to 10, be ordered and decreed forthwith to pay the Plaintiff a sum of Rs. 50.20 crores from Defendant No 1 and Rs 2.11 crores from Defendant No 2 being the pro-rata amount of damages of Rs 139 crores stipulated under the Settlement Agreement, along with interest thereon at 18% per annum from 2nd December 2013 until payment and/ or realization thereof, as per the Plaintiff's Particulars of Claim contained in Exhibit "BB" hereto;

c. that the Hon'ble Court be pleased to pass an Order declaring that the Defendant No. 5 have failed in their duties and obligations and have thereby actively participated in the fraud played on the Plaintiff, by the Defendant Nos. 1 to 4 and 5 to 10;

d. that pending the hearing and final disposal of the Suit, Hon'ble Court be pleased to direct the Defendant Nos. 1 to 4 and 6 to 10 jointly and/ or severally secure an amount of Rs. 3470221357.12 (Rupees three hundred and forty seven cores two lakhs twenty one thousand three hundred and fifty seven and paise twelve only) , along with interest thereon at 18% per annum from 15th August 2013 until payment of decretal amount by way of a bank guarantee or in such other manner as this Hon'ble Court may deem fit and proper;

e. that pending the hearing and final disposal of the Suit, the Defendant Nos. 1 to 4 and 6 to 10 be directed and/ or enjoined from disposing of, alienating, encumbering, parting with possession of and / or otherwise creating third

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party rights in respect of its immovable and moveable properties and assets including those described and contained in Exhibit "KK" hereto;

- f. that pending the hearing and final disposal of the Suit, the Defendant Nos. 1 to 4 and 6 to 10 to be directed and/ or enjoined from disposing of, alienating, encumbering, parting with possession of and / or otherwise creating third party rights in respect of its movable/immovable properties/assets including those described and contained in Exhibit "KK" hereto as known to the Plaintiffs;
- g. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to order and direct the Defendant Nos. 1 to 4 and 6 to 10 to disclose, on affidavit and within such time as this Hon'ble Court may deem fit and proper, all their movable and immovable assets, properties and assets including bank accounts with all details of funds debited and credited, for a minimum period of last 3 years;
- h. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to issue an injunction / direction / order restraining the Defendant Nos. 1 to 4 and 6 to 10 from disposing of, alienating, encumbering, parting with possession of and / or otherwise creating third party rights in respect of their movable and immovable assets as would be disclosed by the Defendant Nos. 1 to 4 and 6 to 10 in terms of prayer clause (g) above;
- i. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to issue an injunction / direction / order restraining the Defendant Nos. 1, 2, 6, 9 and 10 from altering / changing / permitting any transfer/encumbrance in respect of its shares/capital structure.

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- j. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to issue an injunction / direction / order restraining the Defendant Nos. 1 to 4 and 6 to 10 from and in any manner dealing with the funds deposited by them in various Banks as maybe disclosed to this Hon'ble Court in accordance with prayer (g) above;
- k. An injunction restraining Defendant Nos. 1 to 4 and 6 to 10, their agents, representatives from dealing with, selling, transferring, alienating creating third party rights, in respect of and/or encumbering their movable/immovable properties/assets mortgaged/charged which may be disclosed as in possession and/or control of various Banks in any manner whatsoever;
- l. An order appointing the Court Receiver High Court, Bombay, with all powers under Order 40 Rule 1 of the Civil Procedure Code, of the assets of the Defendant Nos. 1, 4, 7 and 8 as detailed in Exhibit "KK", including the power to take possession of the said warehouse/property as mentioned in Exhibit "KK" and of all the commodities contained therein and also with the power to the Court Receiver to sell the commodities and deposit the sale proceeds in this Hon'ble Court / make payment of the sale proceeds to the Plaintiff;
- m. An order appointing the Court Receiver High Court, Bombay, with all powers under Order 40 Rule 1 of the Civil Procedure Code, of the assets of the Defendant Nos. 1 to 4 and 6 to 10 and such assets as may be disclosed and found including the power to take possession of the same and also with the power to the Court Receiver to sell the same and deposit the sale proceeds in this Hon'ble Court / make payment of the sale proceeds to the Plaintiff;
- n. an order appointing the Plaintiff as Agent of the receiver and permitting the Plaintiff to auction the various commodities as available in the said

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warehouse/property as mentioned in Exhibit "KK" and appropriate the amounts therefrom towards the said outstanding amount due from the Defendant Nos. 1 to 4 and 6 to 10 to the Plaintiff;

- o. Pending hearing and final disposal of the suit, this Hon'ble Court be pleased to order and direct the Defendant No. 1 and 3 to file within such time as this Hon'ble Court may deem fit and proper, their respective financial statements and Income Tax returns and sales tax, and VAT returns for the previous 3 financial years preceding the filing of the present Suit;
- p. An injunction directing Defendant No. 5 to produce/give inspection of documents including copies of all the audit reports relating to the transactions of Defendant Nos. 1 and 3 and direct appropriate action against Defendant No. 5;
- q. For interim and ad-interim reliefs in terms of clauses (a) to (p) above;
- r. For such further and other reliefs as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case; &
- s. For the costs of the Suit.

Plaintiff

Advocates for the Plaintiff

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VERIFICATION

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Santosh Dhuri, the authorized signatory of the Plaintiff, having my office at FI
CTS No. 256 & 257, 4th Floor, Suren Road, Chakala, Andheri (East), Mumbai -
do hereby solemnly declare that whatever is stated in paragraphs of the
petition has been stated by me on the basis of my personal knowledge and
stated in the remaining paragraph numbers is based on the information and
that I believe to be true.

affirmed at Mumbai)

day of November 2014)

[Signature]

for the Plaintiff

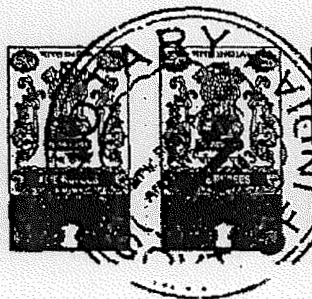
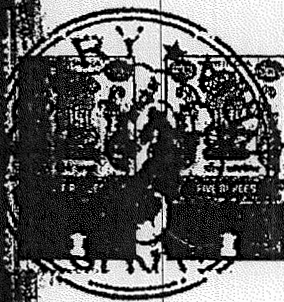
*seen original Board
Resolution dated 5/7/2014*

[Signature]
BEFORE ME

[Signature]
BIDHU PANICKER
B.Com., LL.B.
ADVOCATE HIGH COURT
NOTARY (Govt. of India)
Prakash Chamber, 28, 3rd Floor,
77, Nagindas Master Road,
Mumbai - 400 023.

Notary Reg. Sr. No. 5557/2010
In Book No. VII

24 NOV 2014



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