

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
**REPORT NO. 49**  
IN  
SUIT NO.173 OF 2014

Modern India Limited & Ors.

...Plaintiffs/Applicants

v/s.

Financial Technologies (I) Ltd.  
now known as 63 Moons Technologies  
Ltd. & Ors.  
And

...Defendants

Shree Radhey Trading Co. & Ors.

...Third Party Notice No.16 of /  
2014

And  
Related Matters

**INDEX**

Sr. No.	Date	Particulars	Pg. No.
1.	30.03.2019	Report	1-45
2.	-	<b><u>Exhibit "A"</u></b> List of meetings held before the Committee on various dates	46-47
3.	-	<b><u>Exhibit "B-1"</u></b> Index to Order Sheets passed by the Committee [Filed as Separate Volume I - Order Sheets passed by the Committee - Page No. 1 to 94]	48-49
4.	-	<b><u>Exhibit "B-2"</u></b> Index to Notices and Correspondences [Filed as Separate Volume II - Notices and Correspondences - Page No. 1 to 195]	50-57
5.	-	<b><u>Exhibit "B-3"</u></b> Index to Statements and Affidavits filed with the Committee in 2014 [Filed as Separate Volume III - Statements and Affidavits filed with the Committee in 2014 Part 1 - Page No. 1 to 374 Part 2 - Page No. 375 to 498 Part 3- Page No. 500 to 968 Part 4 - Page No. 969 to 1297]	58

6.	-	<u><b>Exhibit "B-4"</b></u> Index to Statements and Affidavits filed with the Committee in 2015 <b>[Filed as Separate Volume IV - Statements and Affidavits filed with the Committee in 2015]</b> Part 1 -Page No. 1 to 313 Part 2 -Page No. 314 to 679 Part 3 -Page No. 680 to 1057 Part 4 -Page No. 1058 to 1187 Part 5 -Page No. 1088 to 1431]	59-61
7.	-	<u><b>Exhibit "B-5"</b></u> Index to Statements and Affidavits filed with the Committee in 2016 <b>[Filed as Separate Volume V - Statements and Affidavits filed with the Committee in 2016]</b> Part 1 - Page No. 1 to 166 Part 2 - Page No. 167 to 398]	62-63
8.	-	<u><b>Exhibit "B-6"</b></u> Index to Statements and Affidavits filed with the Committee in 2017 <b>[Filed as Separate Volume VI - Statements and Affidavits filed with the Committee in 2017 - Page No. 1 to 199]</b>	64-65
9.	-	<u><b>Exhibit "B-7"</b></u> Index to Statements and Affidavits filed with the Committee in 2018 <b>[Filed as Separate Volume VII - Statements and Affidavits filed with the Committee in 2018]</b> Part 1 - Page No. 1 to 243 Part 2 -Page No. 244 TO 395 Part 3 -Page No. 396 TO 462]	66-67
10.	-	<u><b>Exhibit "B-8"</b></u> Revised reconciliation statement prepared by the Committee <b>[Filed as Separate Volume VIII - Revised reconciliation statement prepared by the Committee - Page No. 1 to 86]</b>	68

11.	29.11.2014	<b><u>Exhibit "C"</u></b> Copy of statement submitted by the NSEL	69-70
12.	-	<b><u>Exhibit "C-1"</u></b> Copy of Computation of Members outstanding as on 31 <sup>st</sup> August 2013 in respect of SRTC prepared by M/s. Sharp & Tannan Associates, Chartered Accountants.	71
13.	26.06.2013	<b><u>Exhibit "C-2"</u></b> Copy of letter addressed by SRTC to NSEL.	72
14.	01.08.2013	<b><u>Exhibit "C-3"</u></b> Copy of letter addressed by SRTC to NSEL.	73-74
15.	07.11.2013	<b><u>Exhibit "C-4"</u></b> Copy of Report of the representative of the Court Receiver appointed in Bombay High Court Suit No.221 of 2014.	75-77
16.	27.11.2013	<b><u>Exhibit "C-5"</u></b> Copy of letter addressed by NSEL to SRTC.	78-79
17.	December 2014	<b><u>Exhibit "D"</u></b> Copy of Affidavit of Mr. Sunny Nagpal, Constituted Attorney of Ramesh Nagpal - Sole Proprietor of SRTC and Sole Proprietor of Harsha Traders (without Annexures).	80-88
18.	13.10.2011	<b><u>Exhibit "E"</u></b> Copy of Deed of Lease between Shree Krishna Cold Storage and Foods as the Lessor and NSEL as the Lessee.	89-95
19.	18.02.2015	<b><u>Exhibit "F"</u></b> Copy of Index of two volumes containing Pages 1 to 743 filed by SRTC.	96-97
20.	11.02.2012	<b><u>Exhibit "G"</u></b> Copy of Agreement in respect of the Warehouse of SRTC.	98-101
21.	03.10.2015	<b><u>Exhibit "H"</u></b> Copy of Affidavit of Mr. Santosh Dhuri, authorized signatory of Applicant/Defendant No.2 along with its annexures.	102-172
22.	18.12.2015	<b><u>Exhibit "I"</u></b> Copy of Affidavit of Shri Arvind Wadhankar, Chief Investigation Officer, EOW	173-174

23.	02.02.2018	<b><u>Exhibit "J"</u></b> Copy of letter addressed by the Secretary (Legal) of the Committee to Advocates for NSEL and to Advocates for SRTC. [Enclosure to the letter also at page nos. 1 to 243 of part of Volume VII along with annexure to the Statement of Reconciliation]	175-178
24.	-	<b><u>Exhibit "K"</u></b> Copy of note on Reconciliation of Data of SRTC filed by the NSEL on 20 <sup>th</sup> February 2018.	179-184
25.	24.02.2018	<b><u>Exhibit "L"</u></b> Copy of Communication received by the Committee from SRTC.	185
26.	27.02.2019	<b><u>Exhibit "M"</u></b> Copy of letter addressed by the Secretary (Legal) of the Committee to SRTC Advocates for SRTC and Advocates for NSEL along with annexure.	186-189
27.	15.03.2019	<b><u>Exhibit "N"</u></b> Copy of Order Sheet No.57E passed by the Committee.	190-191
28.	-	<b><u>Exhibit "O"</u></b> Statement showing cancelled T+2 obligations due on 31st July 2013, T+25 obligations due on 31st July 2013 and T+10/T+25 obligations due after 31st July 2013.	192
29.	-	<b><u>Exhibit "P"</u></b> Copy of Annexure 1 to Report dated 2 <sup>nd</sup> April 2014 of Sharp & Tannan, (Exhibit "B" of Affidavit dated 3rd October 2015 filed on behalf of NSEL a copy is page 1414 Volume IV Part 5).	193
30.	-	<b><u>Exhibit "Q"</u></b> Copy of Exhibit "A" to the submission dated 12 <sup>th</sup> August 2017 of SRTC.	194
31.	-	A Compact Disk (CD) containing trade summary submitted by NSEL to the Committee on 28th May 2015.	-

32.	-	Documents submitted by SRTC in 20(Twenty) Volumes	-																																																
		<table><tr><th>Volume</th><th>Particulars</th><th>Pg. No.</th></tr><tr><td>I</td><td>Balance Sheet and ITR &amp; Audit report of Harsha Traders for financial year 2011-12, 2012-2013</td><td>1-68</td></tr><tr><td>II</td><td>Bank Statement of Harsha Traders</td><td>69-136</td></tr><tr><td>III</td><td>Monthly Sales tax return of Harsha Traders</td><td>137-194</td></tr><tr><td>IV</td><td>Harsha Traders purchase invoice 2011-2012</td><td>195-228</td></tr><tr><td>V-A</td><td>Harsha Traders sales invoice 2011-2012</td><td>229-494</td></tr><tr><td>V-B</td><td>Harsha Traders sales invoice 2011-2012</td><td>495-878</td></tr><tr><td>VI</td><td>Harsha Traders purchase invoice 2012-2013</td><td>879-1103</td></tr><tr><td>VII</td><td>Harsha Traders sales invoice 2012-2013</td><td>1104-1198</td></tr><tr><td>VIII</td><td>Shri Krishna Trading balance sheet 2011-12,2012-13 &amp; sales tax return</td><td>1199-1255</td></tr><tr><td>IX</td><td>Bank Statement of Shri Krishna Trading Co.</td><td>1256-1301</td></tr><tr><td>X</td><td>Sales invoice of Shri Krishna Trading Co. year 2011-12</td><td>1302-1440</td></tr><tr><td>XI</td><td>Purchase invoice of Shri Krishna Trading Co. year 2011-12</td><td>1441-1656</td></tr><tr><td>XII-A</td><td>Sales invoice of Shri Krishna Trading Co. year 2012-13</td><td>1657-1930</td></tr><tr><td>XII-B</td><td>Sales invoice of Shri Krishna Trading Co. year 2012-13</td><td>1931-2229A</td></tr><tr><td>XII-C</td><td>Sales invoice of Shri Krishna Trading Co. year 2012-13</td><td>2230-2488</td></tr></table>	Volume	Particulars	Pg. No.	I	Balance Sheet and ITR & Audit report of Harsha Traders for financial year 2011-12, 2012-2013	1-68	II	Bank Statement of Harsha Traders	69-136	III	Monthly Sales tax return of Harsha Traders	137-194	IV	Harsha Traders purchase invoice 2011-2012	195-228	V-A	Harsha Traders sales invoice 2011-2012	229-494	V-B	Harsha Traders sales invoice 2011-2012	495-878	VI	Harsha Traders purchase invoice 2012-2013	879-1103	VII	Harsha Traders sales invoice 2012-2013	1104-1198	VIII	Shri Krishna Trading balance sheet 2011-12,2012-13 & sales tax return	1199-1255	IX	Bank Statement of Shri Krishna Trading Co.	1256-1301	X	Sales invoice of Shri Krishna Trading Co. year 2011-12	1302-1440	XI	Purchase invoice of Shri Krishna Trading Co. year 2011-12	1441-1656	XII-A	Sales invoice of Shri Krishna Trading Co. year 2012-13	1657-1930	XII-B	Sales invoice of Shri Krishna Trading Co. year 2012-13	1931-2229A	XII-C	Sales invoice of Shri Krishna Trading Co. year 2012-13	2230-2488	
Volume	Particulars	Pg. No.																																																	
I	Balance Sheet and ITR & Audit report of Harsha Traders for financial year 2011-12, 2012-2013	1-68																																																	
II	Bank Statement of Harsha Traders	69-136																																																	
III	Monthly Sales tax return of Harsha Traders	137-194																																																	
IV	Harsha Traders purchase invoice 2011-2012	195-228																																																	
V-A	Harsha Traders sales invoice 2011-2012	229-494																																																	
V-B	Harsha Traders sales invoice 2011-2012	495-878																																																	
VI	Harsha Traders purchase invoice 2012-2013	879-1103																																																	
VII	Harsha Traders sales invoice 2012-2013	1104-1198																																																	
VIII	Shri Krishna Trading balance sheet 2011-12,2012-13 & sales tax return	1199-1255																																																	
IX	Bank Statement of Shri Krishna Trading Co.	1256-1301																																																	
X	Sales invoice of Shri Krishna Trading Co. year 2011-12	1302-1440																																																	
XI	Purchase invoice of Shri Krishna Trading Co. year 2011-12	1441-1656																																																	
XII-A	Sales invoice of Shri Krishna Trading Co. year 2012-13	1657-1930																																																	
XII-B	Sales invoice of Shri Krishna Trading Co. year 2012-13	1931-2229A																																																	
XII-C	Sales invoice of Shri Krishna Trading Co. year 2012-13	2230-2488																																																	

		XII-D	Sales invoice of Shri Krishna Trading Co. year 2012-13	2489-2812	
		XIII	Shri Krishna Trading Co. sales tax return year 2011-12, 2012-13	2812-2862	
		XIV	Purchase invoice of Shri Radhey Trading Co. year 2011-12	2863-2900	
		XV	Sales invoice of Shri Radhey Trading Co. 2011-12	2901-2928	
		XVI	Shri Radhey Trading Co. of purchase invoice 2012-13	2929-3108	
		XVII	Shri Radhey Trading Co. of sales invoice year 2012-13	3109-3153	
		XVIII	MOA and Sales TAX Return of R.S. Nagpal Traders Pvt. Ltd.	3154-3196	
		XIX	Shri Radhey Trading Co. Balance Sheet of year 2011-12, 2012-13 and purchase invoice of R.S. Nagpal Traders Pvt Ltd. year 2013-2014	3197-3353	
		XX	Sales Tax invoice of R.S. Nagpal Pvt Ltd. year 2013-2014	3354-3439	

\*\*\*\*\*

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
**REPORT NO.49**

IN  
NOTICE OF MOTION NO.240 OF 2014

IN  
SUIT NO. 173 OF 2014  
WITH

TPN 2 OF 2014 TO TPN 15 OF 2014

Modern India Limited & Ors.

...Plaintiffs/Applicants

v/s.

Financial Technologies (I) Ltd.  
now known as 63 Moons Technologies  
Ltd. & Ors.

...Defendants

And

Shree Radhey Trading Co.  
& Ors.

...Noticee in Third Party Notice  
No. 16 of 2014

And

Related Matters

**SUBMITTED TO THE HON'BLE COURT:**

**THE COMMITTEE CONSTITUTED UNDER ORDER DATED 2<sup>ND</sup> SEPTEMBER 2014 RESPECTFULLY SUBMITS ITS REPORT AS UNDER:-**

1. Under Order dated 2<sup>nd</sup> September 2014 passed by this Hon'ble Court in terms of Minutes of Order "X" and "X-1" thereto, a committee consisting of:

- (i) Mr. Justice V. C. Daga (Retd.) – Chairman;
- (ii) Mr. J. S. Solomon – Advocate; and
- (iii) Mr. Yogesh Thar – Chartered Accountant – Partner of M/s:  
Bansi S. Mehta & Co., Chartered Accountants,

has been constituted as a fact finding authority

- to determine the amounts payable by the defaulters / third parties to National Spot Exchange Ltd. ("NSEL");

- to ascertain the assets of the defaulters / third parties and amounts received directly or indirectly from NSEL in respect of various trades;
- to explore and negotiate mutual settlements between NSEL and the alleged defaulters / third parties and their clients;
- to seek appropriate directions from the Court for sale / monetization of assets of defaulters and their clients and any other persons; and
- to perform the duties and functions as provided in the Order dated 2<sup>nd</sup> September 2014.

In Exhibit-1 of the Annexure "X" to the said Order dated 2<sup>nd</sup> September, 2014, **Shree Radhey Trading Co.** is shown as one of the defaulting members of NSEL and (1) Shree Krishna Trading Company, (2) Suavity Trading Company Pvt. Ltd. Pvt. Ltd., (3) R. S. Nagpal Traders Pvt. Ltd. and (4) Harsha Traders are shown as clients of Shree Radhey Trading Co. This Report is submitted in respect of Shree Radhey Trading Co. and their clients.

2. NSEL – Defendant No.2 in Suit No. 173 of 2014 has taken out Third Party Notice No.16 of 2014 (Third Party (Lodg.) No.5 of 2014) dated 3<sup>rd</sup> May 2014 against Shree Radhey Trading Co. (being a trading member of NSEL) and against (i) Shree Krishna Trading Company, (ii) Suavity Trading Company Pvt. Ltd. Pvt. Ltd., (iii) R. S. Nagpal Traders Pvt. Ltd. and (iv) Harsha Traders (being clients of Shree Radhey Trading Co.) claiming an amount of **Rs.34.59 crores** along with interest from the date of filing of Suit No.173 of 2014 till payment / realization, in which it is stated that defaulting members of NSEL and their clients have received monies from various investing members who have traded on the NSEL platform and the defaulting members and their clients are required to make good the claim of the Plaintiffs in Suit No.173 of 2014.



Traders Pvt. Ltd., SRTC and their Advocates appeared before the Committee. The matters relating to SRTC and their clients were considered by the Committee at the meetings held before the Committee on the dates mentioned in **Exhibit "A"** hereto.

4. The Committee is filing herewith record of proceedings before the Committee relating to SRTC and their clients in 8 (eight) volumes as under:-

Volume-I	Order Sheets	Pages 1 to 94 as per Index <b><u>Exhibit "B-1"</u></b>
Volume-II	Notices and correspondence	Pages 1 to 195 as per Index <b><u>Exhibit "B-2"</u></b>
Volume-III	Statements and Affidavits filed with the Committee in 2014	Pages 1 to 1297 as per Index <b><u>Exhibit "B-3"</u></b>
Volume-IV	Statements and Affidavits filed with the Committee in 2015	Pages 1 to 1431 as per Index <b><u>Exhibit "B-4"</u></b>
Volume-V	Statements and Affidavits filed with the Committee in 2016	Pages 1 to 398 as per Index <b><u>Exhibit "B-5"</u></b>
Volume-VI	Statements and Affidavits filed with the Committee in 2017	Pages 1 to 199 as per Index <b><u>Exhibit "B-6"</u></b>
Volume-VII	Statements and Affidavits filed with the Committee in 2018	Pages 1 to 462 as per Index <b><u>Exhibit "B-7"</u></b>
Volume-VIII	Revised Reconciliation Statement prepared by the Committee	Pages 1 to 86 as per Index <b><u>Exhibit "B-8"</u></b>
A Compact Disk (CD) containing trade summary submitted by NSEL to the Committee on 28 <sup>th</sup> May 2015 is also submitted herewith.		

5. The Committee has submitted Report No.2 of 2014 dated 4<sup>th</sup> December 2014 (Report No.2) to this Hon'ble Court, inter alia, recommending disposal of perishable commodities lying in the warehouse of SRTC on which this Hon'ble Court has been pleased to pass Order dated 17<sup>th</sup> December 2014 directing the Committee to proceed further with disposal of various commodities mentioned in para 26 of that Report, including perishable commodities lying in the warehouse of SRTC.
6. The Committee has submitted Report No.14 of 2016 dated 21<sup>st</sup> October 2016 (now numbered Report No.34) to this Hon'ble Court, para. 13 whereof is as under:-

*"In the circumstances, subject to deposit of not less than Rs.25 Lakhs per quarter by Mr. Ramesh Nagpal, proprietor of Shree Radhey Trading Co. with the competent authority, the Committee has no objection to sale and delivery of red chili and black pepper stored at warehouse at Janata Road, Saharanpur, Uttar Pradesh, to Mr. Ramesh Nagpal, proprietor of Shree Radhey Trading Co. at the rate of Rs.120/- per kg. for red chilli and Rs.725/- per kg. for black pepper, exclusive of applicable taxes and ex-godown and on as is where is basis on verification of weighment of the commodities by the representative of the Competent Authority and have accordingly issued No Objection Certificate dated 20<sup>th</sup> October, 2016, a copy whereof is hereto annexed and marked Exhibit "I".*

It appears that payments and deliveries as contemplated in Report No.14 of 2016 (Report No.34) have not happened, inter alia, due to objections raised by Shree Krishna Cold Storage and Foods (a Firm in which Mr. Ramesh Nagpal, Sole Proprietor of SRTC is a Partner) who claim to be the owner of the warehouse in which the stock of red chilli and black pepper is stored, on the ground of non-payment of warehousing charges/rent to them.

7. At the meeting held before the Committee on **29<sup>th</sup> November 2014**, NSEL submitted a statement, a copy whereof is hereto annexed and marked **Exhibit "C"** along with the documents mentioned therein, which included the following:-
- (i) Computation of Members outstanding as on 31<sup>st</sup> August 2013 in respect of SRTC prepared by M/s. Sharp & Tannan Associates, Chartered Accountants, a copy whereof is hereto annexed and marked **Exhibit "C-1"** showing Rs.34.59 Crores as the outstanding liability of SRTC to NSEL as on 31<sup>st</sup> August 2013;
  - (ii) Letter dated 26<sup>th</sup> June 2013 from SRTC to NSEL, a copy whereof is hereto annexed and marked **Exhibit "C-2"** stating that the total exposure of SRTC to NSEL is Rs.38,74,68,322.50 and the margin money with NSEL is Rs.4,84,84,634.57. In this letter dated 26<sup>th</sup> June 2013, it is stated that SRTC has applied to OBC (Oriental Bank of Commerce), Saharanpur for getting CC limit to the tune of Rs.45 Crores and SRTC were expecting to get the sanction letter from Bank by first week of July 2013 and that SRTC will liquidate 60% exposure in the month of July and balance till 15<sup>th</sup> August 2013.
  - (iii) Letter dated 1<sup>st</sup> August 2013 from SRTC to NSEL, a copy whereof is hereto annexed and marked **Exhibit "C-3"**, in which SRTC has mentioned that the total amount payable by SRTC to NSEL against settlement obligation of SRTC is Rs.37,95,48,567.33 (subject to the final amount) and agreed to pay a minimum amount of 5% of their dues every week and settle all their outstanding dues within a period of 20 weeks and enclosed post-dated cheques in accordance with the above payment schedule and agreed to pay interest at 16% per annum on delayed payments.

- (iv) Inspection Reports dated 11<sup>th</sup> September 2013 and 13<sup>th</sup> September 2013 of SGS India Pvt. Ltd. of inspection / verification carried out by them on 16<sup>th</sup> August 2013 under instructions of NSEL at the warehouse of Shree Krishna Cold Storage and Foods, Janata Road, Saharanpur, Uttar Pradesh, in which it is mentioned that the quantity of red chilli declared by NSEL was **845 MT** and the quantity of black pepper declared by NSEL was **820.5 MT** (making a total of 1665.5 MT) and the stock of red chilli and black pepper as per verbal declaration at the time of inspection by SGS India Pvt. Ltd. on 16<sup>th</sup> August 2013 was **325.80 MT** of red chilli and **331.36 MT** of black pepper.
- (v) Report dated 7<sup>th</sup> November 2013 of the representative of the Court Receiver appointed in Bombay High Court Suit No.221 of 2014 a copy whereof is hereto annexed and marked as "**Exhibit C-4**" in which it is noted 4,700 to 5000 gunny bags of approximately 45-50 Kilogram per bag of Red chilly and 4,500 to 4,700 gunny bags of approximately 50-60 Kilogram per bag of Black Pepper, were found in the godown of Krishna Cold Storage and Foods, Saharanpur, UP at the time of inspection by the representative of Court Receiver, thus indicating the quantity of red chilly as **211.560 MT to 250.00 MT** and quantity of black pepper as **225.00 MT to 282.00 MT**.
- (vi) Letter dated 27<sup>th</sup> November 2013 from NSEL to SRTC, a copy whereof is hereto annexed and marked **Exhibit "C-5"** in which it is mentioned that the stock traded and offered by SRTC was **970 MT** of black pepper and **700 MT** of red chilli (making a total of 1670 MT) whereas it was found in SGS Audit Report that the stock in the warehouse on 16<sup>th</sup> August 2013 was 325.80 MT of red chilli and 331.36 MT of black pepper and NSEL had appointed Security Guards at the warehouse from 8<sup>th</sup> August 2013 and there was constant withdrawal of stocks

without any authorization and Economic Offences Wing, Mumbai had visited the warehouse in September 2013, but were not allowed to see the goods.

- (vii) Reply dated 9<sup>th</sup> May 2014 of Mr. Ramesh Nagpal - Sole Proprietor of SRTC to Miscellaneous Application No.46 of 2014 of NSEL in EOW C.R. No.89 of 2013 (MPID Case No.1 of 2014), a copy whereof is at pages 259 to 273 in Volume III filed herewith.

8. At the Committee Meeting held on **19<sup>th</sup> December 2014**, SRTC filed Affidavit dated December 2014 of Sunny Nagpal, Constituted Attorney of Ramesh Nagpal - Sole Proprietor of SRTC and Sole Proprietor of Harsha Traders, a copy whereof (without Annexures) is hereto annexed and marked **Exhibit "D"**, in which SRTC asserted that SRTC and its Group Concerns are not liable to pay any amount to NSEL. In this Affidavit filed on behalf of SRTC (Exhibit "D" hereto), it is mentioned that all the goods / commodities under transactions for sale of red chilli and black pepper by SRTC Group Companies were delivered to the warehouse / cold storage of Shri Krishna Cold Storage and Food at Saharanpur which was leased to NSEL vide Agreement dated 13<sup>th</sup> October 2011 and all commodities which were subject matter of trades were delivered in the custody of NSEL. Para. 5 of this Affidavit is as under:-

*"5. I say that during the period 13-10-2011 to 31-07-2013 the T+2 and T+25 transactions in respect of black pepper and red chilli amounting to Rs.481,10,36,724.00 cr. (approx) were executed and under the said transactions, Client members of the Radhey Trading Company namely Shri Krishna Trading Company and Sauvity Trading Company Pvt. Ltd. sold commodities worth Rs.249,90,93,416/- (approx.) under T+2 to M/S Indian Bullion Market Association (IBMA) and M/S Anand Rathi Commodities Ltd. (ARCL), the purchasers nominated by the NSEL, who were also the members / clients of the NSEL. I say that all the goods /*

*commodity under the aforesaid transactions were delivered to the warehouse having custody and complete control of the NSEL herein till today. I crave leave to refer to and rely upon invoices, corresponding warehouse receipts in regard to entire T-2 trade soft copies of which are filed with the committee along with this affidavit."*

In this Affidavit, it is stated that if the accounts are properly settled and goods which are in the custody and control of NSEL are taken into account, SRTC is not liable to pay any amount to NSEL and on the contrary, NSEL would have to recover Rs.4.39 crores (approx.) towards sales tax liability which has been proposed on SRTC for the reason that NSEL allowed IBMA and ARCL having license to deal in precious metals, to deal in spices, which is not permitted and that NSEL is also liable to pay Rs.3 Crores (approx.) towards lease rent of cold storage. In this Affidavit, it is mentioned that copies of documents, including ledger accounts of all Group Concerns of SRTC have been submitted and shall be submitted by SRTC to the Committee and it was prayed that copy of ledger accounts of NSEL, including its members, clients accounts filed by NSEL and Forensic Audit in respect thereof should be provided to SRTC. A copy of Deed of Lease dated 13<sup>th</sup> October 2011 between Shree Krishna Cold Storage and Foods as the Lessor and NSEL as the Lessee and a copy of letter dated 1<sup>st</sup> August 2012 from NSEL to Shree Krishna Cold Storage and Foods is annexed as Annexure "A" to this Affidavit. A copy of the said Annexure "A" to this Affidavit is hereto annexed and marked as **Exhibit "E".**

9. At the Committee meeting held on **22<sup>nd</sup> January 2015** NSEL filed Application seeking recommendation from the Committee to the Hon'ble Bombay High Court for appointment of Court Receiver to take possession and sell properties/assets of SRTC (a copy whereof is at pages 59 to 110 of Volume IV Part I of V). Copies of Orders dated 14<sup>th</sup> January 2015 and 15<sup>th</sup> January 2015 passed by this Hon'ble Court in

Notice of Motion (L) No.2884 of 2018 in Third Party Notice No.16 of 2014 in Suit No.173 of 2014 directing the Court Receiver to prepare inventory and dispose of perishable commodities lying in the warehouse/godown/ cold storage facilities at Saharanpur in Uttar Pradesh, if necessary by breaking open locks of the warehouse/godown with Police help, are annexed at Exhibit "G" to this Application. Paragraph 9 of this Application reads as under:-

"9. Thereafter, the said orders dated 14<sup>th</sup> January 2015 and 15<sup>th</sup> January 2015 were communicated to (1) Local Police Station, Janakpuri, Saharanpur, U.P. (2) Economic Offences Wing, Mumbai and (3) Representative of NSEL. Pursuant thereto, the representative of NSEL and Representative of EOW, Mumbai went to Janak Puri Police Station to get police help when the Station Head Officer Mr. Naresh Pal Singh provided two Constable staff for inspection of the warehouse. However, when the aforesaid persons reached the warehouse, there were almost 50-60 persons including ladies and their children who were agitating and had blocked the road towards the warehouse door and demanding money for allegedly carrying out the work of loading and unloading stocks. The Applicant craves leave to refer and rely upon the said photographs taken at the site reflecting the aforesaid position as and when produced. However, when EOW team broke/opened the seal of locked door, large amount of Amonia was found at the entrance of the warehouse and due to non-availability of electricity it was very difficult to enter inside the warehouse. Thereafter, Investigating Officer alongwith inspecting agency Therapeutics Chemical Research Corporation (TCRC), Indore. The Therapeutics Chemicals Research Corporation (TCRC), Indore is an independent auditor of a prospective buyer who had come for inspection of the goods in order to purchase the said goods after inspection. After entering inside the warehouse and checking the quantity of stock, they took samples of black pepper and red chilly. In the absence of basic infrastructure and machinery the

*exact quantity of Stock was not ascertained, however, it was revealed that large quantity of black pepper and red chilli stock were missing from 2<sup>nd</sup> and 4<sup>th</sup> stacks in the said warehouse. Pursuant thereto TCRC and EOW has made a punchnama / report which states that only 45 bags of Black Pepper were available in the said warehouse and quantity of red chilli could not be ascertained. Hereto annexed and marked as Exhibit H is a copy of the said report made by TCRC."*

10. At the Committee Meeting held on **22<sup>nd</sup> January 2015**, SRTC submitted Application dated 20<sup>th</sup> January 2015 in which it is stated that SRTC has filed Compilation of Documents, including Books of Accounts as directed by the Committee, which show that SRTC is not liable to pay any amount to NSEL and on the contrary, SRTC has to receive an amount of Rs.2.60 Crores from NSEL and its clients. In this Application, the Committee was requested to direct NSEL to file Books of Accounts comprising of Sale and Purchase register, VAT returns, Ledger Accounts party-wise and Balance Sheets for the years 2011-12, 2012-13 and 2013-14 in regard to its clients (i) M/s. Anand Rathi, (ii) Indian Bullion Market Association (IBMA), (iii) Pace Commodity and (iv) Sahara Q Shop and it is further stated that SRTC have submitted all documents to Economic Offences Wing (EOW) on 2<sup>nd</sup> November 2013 in order to facilitate investigation in the matter and the Committee was requested to direct EOW to furnish the Report of its investigation in regard to the examination of the accounts of SRTC to the Committee. SRTC also filed with the Committee Affidavit dated 20<sup>th</sup> January 2015 of Sunny Nagpal, Constituted Attorney of SRTC disclosing the assets of SRTC and its group companies.
11. At the Committee Meeting held on **3<sup>rd</sup> February 2015**, NSEL filed their response to the Application dated 20<sup>th</sup> January 2015 filed on behalf of SRTC, in which NSEL submitted that NSEL cannot be directed to file books of accounts comprising of sale and purchase register, VAT returns, ledger accounts party-wise and balance sheets for the years 2011-12, 2012-13, 2013-14 in regard to its Members (i)



M/s. Anand Rathi, (ii) Indian Bullion Market Association, (iii) Pace Commodity and (iv) Sahara Q Shop and NSEL denied that such records are necessary to arrive at true and correct factual position in regard to the liability of SRTC to NSEL.

12. At the meeting held before the Committee on 3<sup>rd</sup> February 2015, NSEL also filed with the Committee a statement showing computation of amount of Rs.34.59 Crores claimed by NSEL from SRTC as on 31<sup>st</sup> August 2013 along with supporting documents, including ledger accounts of SRTC maintained by NSEL. At this Meeting, the Committee noted that the accounts produced before the Committee by SRTC were found to be incomplete and the learned Advocate for SRTC agreed to provide the entire accounts on or before 18<sup>th</sup> February 2017.
13. At the meeting held before the Committee on 18<sup>th</sup> February 2015, SRTC filed two volumes containing Pages 1 to 743 as per Index, a copy whereof is hereto annexed and marked as **Exhibit "F"**. At this meeting, SRTC also filed Reply dated 18<sup>th</sup> February 2015 of Mr. Sunny Nagpal, Constituted Attorney of SRTC to the Reply filed by NSEL to the Application No.18 of 2015 of SRTC, in which it was submitted that NSEL has not filed books of accounts comprising of sale and purchase register of parties with whom SRTC and its trading clients have entered into trades on NSEL platform, namely (i) M/s. Anand Rathi, (ii) Indian Bullion Market Association, (iii) Pace Commodity and (iv) Sahara Q Shop. In this Reply, it is stated that NSEL has admitted before the Police Authorities in Saharanpur that NSEL has facilitated sale of commodities worth Rs.351.35 Crores from SRTC and its clients on NSEL platform. In this Reply, it is submitted that sale and purchase of commodities has been effected by SRTC and its clients on NSEL platform with (i) Anand Rathi, (ii) Indian Bullion Market Association, (iii) Pace Commodity and (iv) Sahara Q Shop at the instructions of NSEL and the Committee was requested to issue notices to (i) Anand Rathi, (ii) Indian Bullion Market Association, (iii) Pace Commodity and (iv) Sahara Q Shop.

14. At the meeting held before the Committee on **5<sup>th</sup> March 2015**, NSEL filed Reply dated March 2015 on behalf of NSEL to the compilation of Books of Accounts of SRTC filed before the Committee, a copy whereof is pages 1064 to 1069 of Volume IV Part IV of V.
15. At the meeting held before the Committee on **14<sup>th</sup> July 2015**, NSEL filed copy of Agreement dated 11<sup>th</sup> February 2012 in respect of the Warehouse of Shri Radhey Trading Company, a copy whereof is hereto annexed and marked as **Exhibit "G"**.
16. SRTC has filed Application dated 5<sup>th</sup> August 2015, a copy whereof is at pages 1188 to 1328 of Volume IV Part V of V to which copies of Notices dated 30<sup>th</sup> July 2015 addressed by Advocate for SRTC to (1) Indian Bullion Market Association, (2) Anand Rathi Commodities Ltd. and (3) Pace Commodities Broker Pvt. Ltd. have been annexed. In these notices, (1) Indian Bullion Market Association, (2) Anand Rathi Commodities Ltd. and (3) Pace Commodities Broker Pvt. Ltd. have been called upon by SRTC to produce their Books of Accounts before the Committee. Copies of Balance Sheets and Stock Statements of (1) SRTC, (2) Shree Krishna Trading Company, (3) Harsha Traders, (4) R. S. Nagpal Traders Pvt. Ltd. and (5) Suavity Trading Company Pvt. Ltd. for some of the years are annexed to this Affidavit.
17. At the meeting held before the Committee on **5<sup>th</sup> August 2015**, the Ld. Advocate for SRTC submitted that the documents which were with the Chartered Accountant of SRTC were burnt in fire during the riots at Saharanpur and that most of the documents have been handed over by SRTC to EOW. Thereupon, the Committee requested EOW to provide photocopies of the documents handed over by SRTC to EOW to the Advocate for SRTC and SRTC agreed to re-construct the records based on these documents, including the Stock Register of goods purchased and sold. Accordingly, EOW handed over to SRTC photocopies of documents handed over by SRTC to EOW as per Firm-wise List of documents provided by EOW relating to (1) SRTC, (2)

Shree Krishna Trading Company, (3) Harsha Traders, (4) R. S. Nagpal Traders Pvt. Ltd. and (5) Suavity Trading Company Pvt. Ltd., copies whereof are at pages 1328A to 1328E of Volume IV Part V of V.

18. Order dated 1<sup>st</sup> September 2015 has been passed by this Hon'ble Court in Notice of Motion No.739 of 2015 taken out by NSEL in Third Party Application No.16 of 2014 in Suit No. 173 of 2014, rejecting the application of NSEL for decree on admission against SRTC for a sum of Rs.34,59,00,000 plus interest at 18% p.a. from August 2015 till date of payment.
19. SRTC has filed with the Committee Affidavit dated 8<sup>th</sup> September 2015 of Mr. Sunny Nagpal in which it is mentioned that the Agreement dated 11<sup>th</sup> February 2012 between SRTC and NSEL, a copy whereof was tendered by NSEL before the Committee on 5<sup>th</sup> August 2015 (Exhibit "G" hereto) is forged and fabricated by NSEL and is not genuine. In the said Affidavit, it is further stated that Shri Krishna Cold Storage and Foods have Cold Storage at Saharanpur which was leased to NSEL vide Agreement dated 13<sup>th</sup> October 2011 (Exhibit "E" hereto) and all commodities which were subject matter of trades were delivered in the custody of NSEL in the said Cold Storage, which is under lock and key of NSEL and sealed by EOW.
20. At the meeting held before the Committee on **5<sup>th</sup> October 2015**, NSEL filed Affidavit dated 3<sup>rd</sup> October 2015 of their Authorised Signatory Mr. Santosh Dhuri along with copies of accounts of SRTC in (i) Initial Margin Ledger, (ii) Member Daily Obligation Ledger and (iii) Member's Delivery Obligation Ledger for the period 1<sup>st</sup> April 2011 to 30<sup>th</sup> September 2013, as also copy of Extract relating to SRTC from the Audit Reports by Sharp & Tannan Associates dated 2<sup>nd</sup> April, 2014 Paras. 5 and 8 of this Affidavit are as under:-

*"5. I say that pursuant to the trades executed on the Exchange, SRTC defaulted in making pay-in and was declared a Defaulter on 28<sup>th</sup> August 2013. I say that SRTC accrued a total liability of*

Rs. 35,33,90,278.75/- (Rupees Thirty Five Crores thirty three lacs Ninety thousand Two Hundred and seventy eight and seventy five paise only) as on 9<sup>th</sup> August, 2013. The said sum is arrived at after considering credit balance of Rs. 4,49,05,259.67/- (Rupees Four crores forty nine lacs five thousand two hundred and fifty nine and Sixty Seven paise only) towards the Initial Margin as on 31/07/2013 and debit balance of Rs.85,274.46/- (Rupees Eighty Five thousand Two hundred and Seventy Four and Forty Six paise only) being the debit balance of Member Daily Obligation Account as on 02/08/2013. I say that the total amount received till 31<sup>st</sup> August, 2015 is Rs. 85,65,350/- (Rupees Eighty Five lacs Sixty Five Thousand Three Hundred and Fifty Only). I further say that as on 1<sup>st</sup> September, 2015 there is an outstanding of Rs. 34,48,24,928.75/- (Rupees Thirty Four Crores Forty Eight lacs Twenty Four Thousand Nine Hundred and Twenty Eight and Seventy Five paise only)."

"8. In view of the above, I pray that the Hon'ble Committee be pleased to take on record the books of accounts of SRTC and crystallize their liability towards the Exchange at Rs. 34,48,24,928.75/- (Thirty four crores Forty Eight lacs Twenty Four thousand Nine hundred and Twenty Eight and Seventy Five paise only) as on 1<sup>st</sup> September 2015 and Rs.15,52,14,148.48/- (Rupees Fifteen crores Fifty Two Lakhs Fourteen Thousand One Hundred and Forty Eight and Forty eight paise only) being interest @ 18% per annum till 31<sup>st</sup> August, 2015 and thereafter @ 18% per annum from 1<sup>st</sup> September, 2015 till payment and recommend steps for the realization of the same to the Hon'ble High Court of Bombay. The particulars of claim against SRTC is hereto annexed and marked as Exhibit "C"."

Hereto annexed and marked Exhibit "H" is a copy of the Affidavit dated 3<sup>rd</sup> October 2015 of Mr. Santosh Dhuri and its annexures.

21. At the meeting held before the Committee on 5<sup>th</sup> October 2015, a copy of Affidavit dated 3<sup>rd</sup> October 2015 filed by NSEL was handed over to the Advocate for SRTC with directions to respond to the same by 19<sup>th</sup> October 2015 and to comply with previous directions issued by the Committee to SRTC relating to production of Account Books for the relevant periods.
22. Shri Arvind Wadhankar, Chief Investigation Officer, EOW has filed Affidavit dated 18<sup>th</sup> December 2015 a copy whereof is hereto annexed and marked as Exhibit "I" confirming that photocopies of the entire record submitted by SRTC to EOW have been given by EOW to the Accountant of SRTC.
23. Thereafter, several applications and documents have been filed on behalf of SRTC with the Committee. SRTC filed repeated Applications before the Committee seeking directions to NSEL to produce the accounts of (i) Indian Bullion Market Association, (ii) Anand Rathi Commodities Pvt. Ltd., (iii) Pace Commodities Broker and (iv) Sahara Q Shop Unique Product Range (with whom SRTC has entered into T+2 sale and T+10/T+25 purchase contracts) as also seeking issue by the Committee of notices to (i) Indian Bullion Market Association, (ii) Anand Rathi Commodities Pvt. Ltd., (iii) Pace Commodities Broker and (iv) Sahara Q Shop Unique Product Range for production of their accounts in respect of their transactions on NSEL platform. According to the Committee, for the purposes of reconciliation of accounts between NSEL and SRTC, accounts between NSEL and (i) Indian Bullion Market Association, (ii) Anand Rathi Commodities Ltd., (iii) Pace Commodities Broker and (iv) Sahara Q Shop Unique Product Range are not relevant and therefore the Committee has not passed directions as prayed on behalf of SRTC.
24. The Committee has noticed that a substantial amount of monies claimed by NSEL from its members is on account of outstanding transactions, in what has been described as 'paired trades', in which

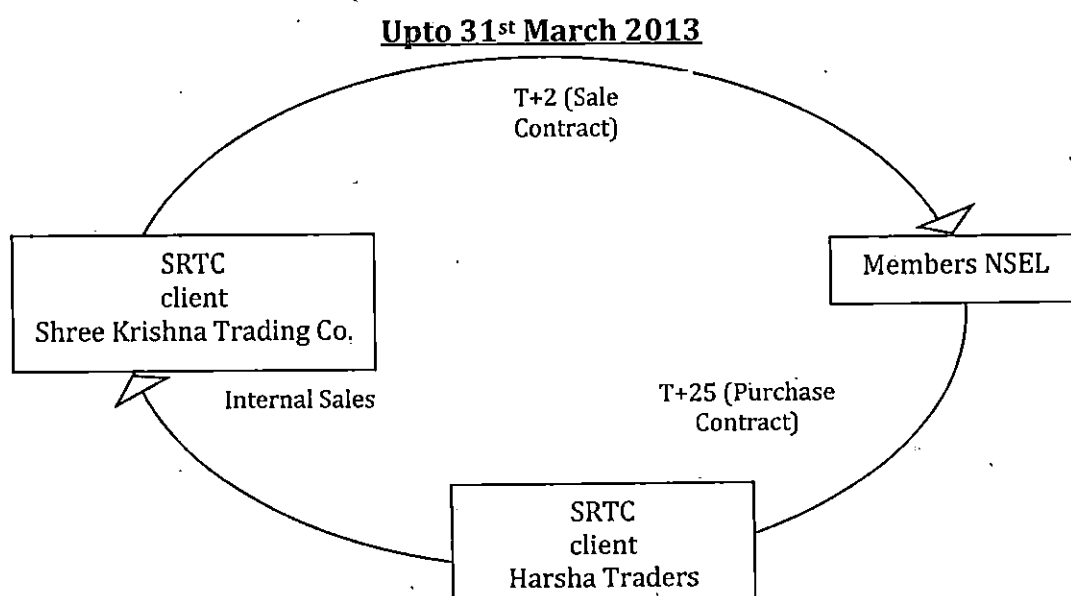
sale of goods under (T+2) (Payment Due 2 days after Date of Trade by NSEL to SRTC for sale transaction) was followed by re-purchase of the same or similar goods under T+10/T+25 (Payment Due 10/25 days after the Date of Trade by SRTC to NSEL for purchase transaction). SRTC have claimed that they/their clients have not received delivery of goods under T+10/T+25 Purchase Contracts and therefore they / their clients are not liable to make payment for the same. For considering this defence, the Committee called upon NSEL as also SRTC to produce Stock Registers, Delivery Orders and other relevant records to indicate existence and availability of goods in quantities sufficient to support the trades of SRTC on NSEL platform. SRTC has expressed inability to produce before the Committee some of the Records sought by the Committee on the ground that the same are destroyed in riots/fire.

25. From a perusal of copies of the tax audit report filed by SRTC the Committee finds that the quantitative details relating to movement of stock-in-trade during the year have not been reported in the relevant columns.
26. Records produced by SRTC before the Committee indicate that Shree Krishna Trading Company (client of SRTC) was enjoying cash credit facility against stocks from State Bank of Patiala, Saharanpur Branch. The Committee had called upon SRTC to provide to the Committee copies of sanction letters and stock statements submitted by Shree Krishna Trading Company to State Bank of Patiala, Saharanpur Branch for the period April 2011 to 31<sup>st</sup> March 2013. Thereupon, SRTC stated before the Committee that overdraft facility of Rs. 20 Lakhs extended by State Bank of Patiala, Saharanpur Branch to SRTC was discontinued in January 2014 and therefore, it is not possible to submit the monthly stock statements.
27. The Secretary (Legal) of the Committee has addressed letters dated 5<sup>th</sup> July 2016 and 25<sup>th</sup> July 2016 to State Bank of Patiala, Saharanpur Branch, calling upon State Bank of Patiala, Saharanpur Branch to file

with the Committee true copies of sanction letters in relation to the facility extended by the State Bank of Patiala to SRTC and/or Shree Krishna Trading Company and certified true copies of stocks statements submitted by SRTC and/or Shree Krishna Trading Company to that Bank for the period April 2011 to 31<sup>st</sup> March 2013. State Bank of Patiala, Saharanpur Branch, has not responded to the aforesaid letters dated 5<sup>th</sup> July 2016 and 25<sup>th</sup> July 2016 or complied with the directions therein.

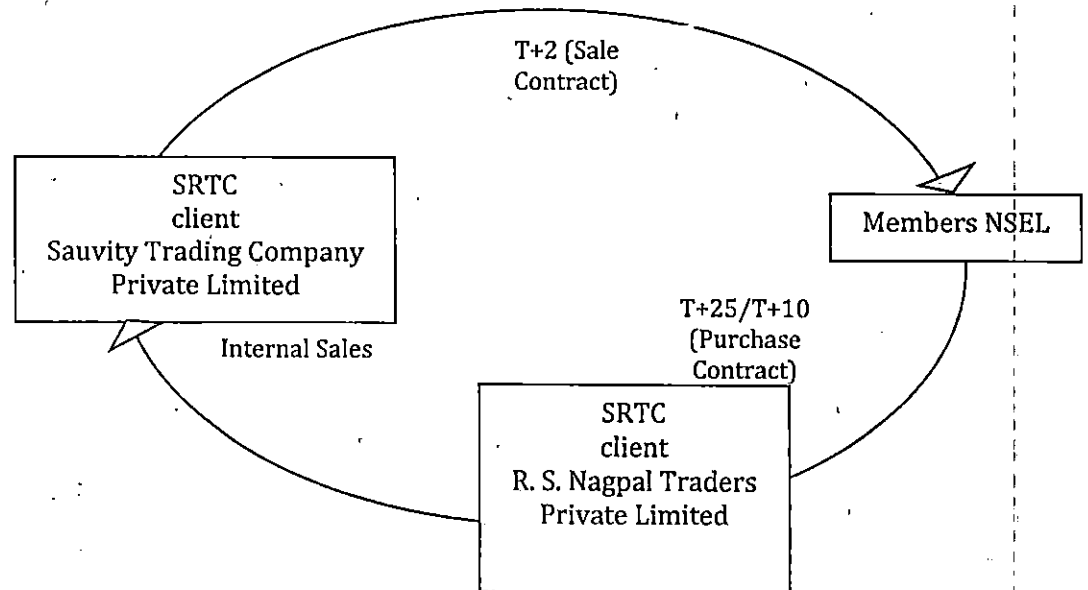
28. State Bank of Patiala has now merged with State Bank of India. Secretary (Legal) of the Committee has addressed letters dated 23<sup>rd</sup> June 2017 and 17<sup>th</sup> July 2017 to State Bank of India, Saharanpur Branch, Chakrat Road, Saharanpur, Uttar Pradesh, with which copies of letters dated 5<sup>th</sup> July 2016 and 25<sup>th</sup> July 2016 addressed to State Bank of Patiala have been enclosed and State Bank of India, Saharanpur Branch was called upon to file with the Committee documents mentioned in the letter dated 5<sup>th</sup> July 2016 addressed to State Bank of Patiala. State Bank of India have not responded to or complied with the directions in the aforesaid letters dated 23<sup>rd</sup> June 2017 and 17<sup>th</sup> July 2017.
29. The Committee has submitted Report No.37 dated 7<sup>th</sup> September 2017 praying for directions to State Bank of India, Saharanpur Branch, Chakrat Road, Saharanpur, Uttar Pradesh to produce before the Committee true copies of sanction letters in relation to the facilities granted by State Bank of Patiala, to SRTC, Shree Krishna Trading Company, Suavity Trading Company Pvt. Ltd., R. S. Nagpal and/or Harsha Traders and true copies of stock statements submitted by SRTC, Shree Krishna Trading Company, Suavity Trading Company Pvt. Ltd., R. S. Nagpal Traders Private Limited and/or Harsha Traders to State Bank of Patiala for the period April 2011 to 31<sup>st</sup> March 2014 and records of State Bank of Patiala relating thereto. The Committee has not been apprised of any Orders passed by the Hon'ble Court on Report No.37.

30. On consideration of records produced before the Committee by NSEL as also SRTC, including the records submitted by SRTC to EOW, copies whereof have been submitted by EOW before the Committee, it is noticed that SRTC has entered into sales under T+2 contracts upto 31<sup>st</sup> March 2013 on behalf of Shree Krishna Trading Company (client of SRTC) and SRTC has entered into sales under T+2 contracts after 31<sup>st</sup> March 2013 on behalf of Suavity Trading Company Pvt. Ltd. (client of SRTC) and that SRTC has entered into purchase under T+10/T+25 contracts before 31<sup>st</sup> March 2013 on behalf of Harsha Traders (client of SRTC) and that SRTC has entered into purchase under T+10/T+25 contracts after 31<sup>st</sup> March 2013 on behalf of R. S. Nagpal Traders Private Limited (client of SRTC) and at the end of the year, balances in the accounts of SRTC and Shree Krishna Trading Company, Suavity Trading Company Pvt. Ltd., R. S. Nagpal Traders Private Limited and Harsha Traders (all clients of SRTC) have been transferred to SRTC by way of Journal entries and there is no consistency in the accounting followed by the Group companies from year to year. Shri Ramesh Nagpal, Proprietor of SRTC is also the Proprietor of Harsha Traders (client of SRTC). Broadly, pattern of sales/purchases have been as under:-





After 31<sup>st</sup> March 2013



31. On the basis of records provided to the Committee by SRTC and Group Concerns of SRTC as also by NSEL, including records of SRTC made available by EOW to the Committee, the Committee prepared a draft Reconciliation Statement with consolidation of accounts of all Group companies of SRTC. By letter dated 2<sup>nd</sup> February 2018 addressed by the Secretary (Legal) of the Committee to the Advocates for NSEL as also Advocate for SRTC, copies of the draft Reconciliation Statement prepared by the Committee along with Annexures 1 to 9 containing pages 1 to 243 were forwarded to NSEL as also to SRTC, with directions to file with the Committee their submissions in writing on the draft Reconciliation Statement along with copies of supporting documents before 20<sup>th</sup> February 2018, to enable the Committee to consider the same. By the said letter dated 2<sup>nd</sup> February 2018, NSEL as also SRTC were also directed to file with the Committee by 20<sup>th</sup> February 2018 statement of all receipts and payments, with particulars of Accounts Head, date and account of all amounts received by NSEL from SRTC and their clients, including Shree Krishna Trading Company, Suavity Trading Company Pvt. Ltd., R. S. Nagpal and/or Harsha Traders and all amounts paid by NSEL to SRTC and their clients. Hereto annexed and marked as Exhibit "I" is a

20  
copy of the said letter dated 2<sup>nd</sup> February 2018 along with copies of draft Statement of Reconciliation and Annexures 1 and 2 thereto.

32. NSEL under cover of their Advocates' letter dated 20<sup>th</sup> February 2018 have filed with the Committee copies of the following, and furnished copies thereof to SRTC:-

- (i) Ledger account of SRTC from 1<sup>st</sup> April 2011 to 30<sup>th</sup> September 2013.
- (ii) Statement of amounts paid by NSEL to SRTC aggregating to Rs.303.47 crores.
- (iii) Statement of amounts received by NSEL from SRTC aggregating to Rs.278.54 crores.
- (iv) Accounts Head-wise details of charges summary of SRTC as under:-

(a) Transaction charges	Rs. 7,28,825.76
(b) Warehouse and Delivery-related charges	Rs. 66,84,286.63
(c) VAT equivalent	Rs.2,62,32,973.09
(d) Other charges	<u>Rs. 2,10,190.31</u>
Total:	Rs.3,38,56,275.79 =====

- (v) Bank Account Statement of SRTC Settlement Account with HDFC Bank for the period 1<sup>st</sup> January 2012 to 14<sup>th</sup> August 2013.

33. The Advocates for NSEL with their letter dated 20<sup>th</sup> February 2018, have filed with the Committee a note on Reconciliation of Data of SRTC, a copy whereof has been forwarded to the Advocates for SRTC. A copy of the said Note is hereto annexed and marked as Exhibit "K".

34. The Committee has received a communication dated 24<sup>th</sup> February 2018 from SRTC, a copy whereof is Exhibit "L" hereto, in which SRTC has acknowledged receipt of letter dated 2<sup>nd</sup> February 2018 on behalf of the Committee (Exhibit "J" hereto) as also letters dated 20<sup>th</sup> February 2018 and 22<sup>nd</sup> February 2018 from the Advocates for NSEL and requested for time to comply with the directions of the Committee and to respond to the draft Reconciliation Statement prepared on behalf of the Committee and to the submissions of NSEL thereon. No further response was received from SRTC on the draft Reconciliation Statement prepared by the Committee or on the submissions of NSEL thereon. SRTC have not produced before the Committee statement of amounts received by SRTC from NSEL and statement of amounts paid by SRTC and its clients to NSEL.

35. The Committee by letter dated 27<sup>th</sup> February 2019 addressed to SRTC and their Advocates and to the Advocates for NSEL, called upon SRTC by way of last chance to file with the Committee:

- (i) their submissions in writing on the draft Reconciliation Statement prepared by the Committee along with copies of supporting documents;
- (ii) their response to the note on Reconciliation of data of SRTC enclosed with the letter dated 20<sup>th</sup> February 2018 of the Advocates for NSEL;
- (iii) their response to the Note on Accounts submitted on behalf of NSEL at the Committee meeting held on 13<sup>th</sup> March 2018; and
- (iv) statement of receipts and payments with particulars of accounts head, date and amounts of all amounts paid by SRTC and their clients to NSEL and all amounts paid by NSEL to SRTC and their clients;

and furnish copies thereof to the Advocates for NSEL by 14<sup>th</sup> March 2019 and fixed a Meeting of the Committee on 15<sup>th</sup> March 2019 for

consideration of the draft Reconciliation Statement prepared on behalf of the Committee and the submissions of the parties thereon. Hereto annexed and marked as Exhibit "M" is a copy of the said letter dated 27<sup>th</sup> February 2019.

36. At the Meeting before the Committee on **15<sup>th</sup> March 2019**, when the Advocates for NSEL as also Advocates for SRTC appeared, the Learned Advocate for SRTC submitted that to enable SRTC to make their submissions on the Reconciliation Statement prepared by the Committee and on the response of NSEL, SRTC require inspection of accounts maintained by NSEL of (i) Indian Bullion Market Association, (ii) Anand Rathi Commodities Ltd., (iii) Pace Commodities Broker and (iv) Sahara Q Shop Unique Product Range and of accounts maintained by (i) Indian Bullion Market Association, (ii) Anand Rathi Commodities Ltd., (iii) Pace Commodities Broker and (iv) Sahara Q Shop Unique Product Range in respect of transactions done by them on NSEL platform. The Committee is of the view that the Committee is primarily concerned with the T+2 sale and T+10/T+25 purchase transactions entered into by SRTC on NSEL platform and the accounts and transactions between NSEL and other members of NSEL, namely (i) Indian Bullion Market Association, (ii) Anand Rathi Commodities Ltd., (iii) Pace Commodities Broker and (iv) Sahara Q Shop Unique Product Range have no relevance to reconciliation of accounts between NSEL and SRTC and determination of liability of SRTC to NSEL. In Order Sheet No.92 dated 15<sup>th</sup> March 2019, the Committee has recorded that the applications on behalf of SRTC for directions relating to accounts of (i) Indian Bullion Market Association, (ii) Anand Rathi Commodities Ltd., (iii) Pace Commodities Broker and (iv) Sahara Q Shop Unique Product Range are rejected. In spite of giving several opportunities, SRTC have not complied with the directions issued by the Committee from time to time and have not made any submissions in writing or at the Meeting before the Committee on the draft Reconciliation Statement prepared by the Committee and on the response of NSEL on the draft Reconciliation Statement or on the Statement of Receipts and Payments and Ledger Accounts produced

by NSEL. At the Meeting before the Committee held on 15<sup>th</sup> March 2019, proceedings relating to SRTC were closed for submission of Report of the Committee to the Hon'ble High Court. Annexed hereto and marked as **Exhibit "N"** is a copy of Order Sheet No.92 dated 15<sup>th</sup> March 2019.

**FINDINGS OF THE COMMITTEE:**

37. The Committee has considered accounts and documents produced on behalf of NSEL as also on behalf of SRTC, including documents relating to SRTC seized by EOW and made available to the Committee by EOW and the applications made before the Committee on behalf of NSEL and SRTC and the findings of the Committee relating to liability of SRTC to NSEL are as under:-
38. The following statement shows the consolidated sales and purchases of SRTC on NSEL platform undertaken on behalf of its clients compiled by the Committee on the basis of sales and purchases register furnished along with Affidavit dated 29<sup>th</sup> December 2014 of Mr. Sunny Nagpal constituted Attorney of Shri Ramesh Nagpal, sole proprietor of SRTC and Harsha Traders (pages 821 to 956 of Volume III Part III of IV ) and other details to the extent made available to the Committee by SRTC, including documents produced by EOW before the Committee.

**Sales (T+2 Transactions) and Purchases (T+10/T+25 transactions) by  
SRTC on NSEL platform**

**(Amount in Rs.)**

<b>Sr. No.</b>	<b>In the books of</b>	<b>Sales(T+2) (including VAT @5%)</b>	<b>Purchases(T+10/T+25) (including VAT @5%)</b>
a.	Shree Radhey Trading Company	7,00,00,000	-
b.	Shri Krishna Trading Company	1,95,02,94,199	12,37,27,188
c.	Suavity Trading Company Pvt. Ltd. Private Limited	47,87,99,218	-

d.	Harsha Traders	-	1,66,52,45,776
e.	R S Nagpal Traders Private Limited	-	52,29,70,347
	<b>Total</b>	<b>249,90,93,417</b>	<b>2,31,19,43,311</b>

39. The following statement shows the consolidated sales and purchases of SRTC on NSEL platform undertaken on behalf of their client compiled by the Committee on the basis of trade summary produced by NSEL before the Committee.

**Sales (T+2 Transactions) and Purchases (T+10/T+25 transactions) by  
SRTC on NSEL platform**

(Amount in Rs.)

Sr. No.	In the books of	Sales(T+2) (including VAT @5%)	Purchases(T+10/T+25) (including VAT @5%)
a.	Shree Radhey Trading Company	-	-
b.	Shri Krishna Trading Company	3,46,06,58,127	-
c.	Suavity Trading Company Pvt. Ltd. Private Limited	22,52,64,506	-
d.	Harsha Traders	-	3,52,39,61,873
e.	R S Nagpal Traders Private Limited	-	22,82,98,836
	<b>Total</b>	<b>3,68,59,22,633</b>	<b>3,75,22,60,709</b>

40. On making comparison of the two statements mentioned in paras. 38 and 39 above following reconciliation statement of total sales and total purchases has been prepared by the Committee.

**Reconciliation of Sales (T+2 transaction) and Purchase (T+10/T+25 transaction)**

(Amount Rs. in Crores)

Sr. No.	Particulars	Amount (inclusive of VAT)	Reference to Annexure to Revised Reconciliation Volume VIII
1.	<b>Total difference of sales and purchase as per Sales and Purchase register produced by SRTC/clients of SRTC</b> Total Sales ÷ 249.90 Cr. Less Total purchases -231.19 vide para 38 above	18.71	
2.	<b>Add:</b> T+2 transactions in books of NSEL for which no details in sales register have been submitted by SRTC/clients of SRTC.	145.51	Annexure 3
3.	<b>Less:</b> Transactions as per the invoices submitted by SRTC/clients of SRTC for which no entry is found in the books of NSEL <u>Note:</u> It is possible that these transactions are part of T+2 transactions mentioned at item 2 above.	26.83	Annexure 5
4.	<b>Less:</b> T+25/T+10 transactions in books of NSEL for which no details in purchase register have been submitted by SRTC/clients of SRTC	173.18	Annexure 4
5.	<b>Add:</b> Transactions as per purchase register submitted by SRTC/clients of SRTC for which no entry is found in the books of NSEL <u>Note:</u> It is possible that these transactions are part of T+25 transactions	29.19	Annexure 6

	mentioned at item 4 above.		
	Less: Unreconciled difference	0.03	
6.	Total difference of sales (T+2 transactions) and purchases (T+25/T+10 transactions) as per books of NSEL Total sales - 368.59 Cr less total purchases 375.22 Cr vide para 39 above	6.63	

41. **Reconciliation of accounts of SRTC with accounts of NSEL**

On the basis of accounts and documents produced and further submissions made before the Committee on the draft reconciliation statement (Volume VII of Part I of III) a revised reconciliation statement of accounts of SRTC and its clients with the accounts of NSEL has been prepared by the Committee (Volume VIII) as under:

**Revised Statement of Reconciliation of Outstanding Liabilities of SRTC and its clients as per NSEL's Books of Accounts and Books of Accounts of SRTC and its clients (vide Volume VIII)**

**Amount outstanding as per books of NSEL and SRTC (along with Group Concerns)**

Sr. No.	Particulars	Amount in Rs. Crores	Reference to Revised Reconciliation Statement- Volume VIII
1	Balance of SRTC as per the books of NSEL (Receivable by NSEL from SRTC)	34.59	Annexure 1
2	Balance of NSEL as per the books of SRTC and its clients (Payable by SRTC to NSEL)	5.60	Annexure 2
3	Difference (1-2)	28.99	

**Reconciliation Statement is as under:**

Sr. No.	Particulars	Amount in Rs. Crores	Reference
---------	-------------	----------------------	-----------



1	Total Value of Sales transactions (T+2) recorded by NSEL as per Trade Summary submitted by NSEL to the Committee on 28/5/2015, but not found to have been accounted by SRTC and its clients	145.51	Annexure 3
2	Total Value of Purchases (T+25/T+10) transactions recorded by NSEL as per Trade Summary submitted by NSEL to the Committee on 28/5/2015 but not found to have been accounted by SRTC and its clients	-173.19	Annexure 4
3	Sales transactions (T+2) recorded by SRTC and its clients, but not found to have been accounted by NSEL	-26.83	Annexure 5
4	Purchases transactions (T+25/T+10) recorded by SRTC and its group concerns, but not found to have been accounted by NSEL	29.19	Annexure 6
5	Transaction charges as per Member Daily Obligation A/c and Other charges excluding VAT as per Member's Delivery Obligation A/c submitted by NSEL to the Committee on 28 <sup>th</sup> May 2015	-0.26	Annexure 7
6	Net amount of receipts and payments not recorded by SRTC but same has been accounted as receipt and payment in the books of NSEL	19.94	Annexure 8
7	Net amount of receipts and payments not recorded by NSEL but same has been accounted as receipt and payment in the books of SRTC.	-19.44	Annexure 9
8	Net debit entries accounted in the books of Harsha Traders (In Accounts of IBMA Ltd., Anand Rathi and Pace Commodities Brokers Pvt. Ltd.) which are not related to NSEL Transactions.	-16.96	Annexure 10

9	Net credit entries accounted in the books of Shri Krishna Trading Co. (In Accounts of IBMA Ltd., Anand Rathi and Pace Commodities Brokers Pvt. Ltd.) which are not related to NSEL Transactions.	15.27	Annexure 11
10	Net of entries accounted in the books of SRTC (In Accounts of IBMA Ltd.) which are not related to NSEL Transactions	-4.84	Annexure 12
11	Unreconciled Difference	2.62	
12	<b>Difference under Reconciliation</b>	<b>28.99</b>	

42. **Findings of the Committee on Reconciliation of Accounts between SRTC and NSEL**

42.1 Bye laws No.3.5, 3.10, 5.17, 11.5 and 11.6 of the Bye-laws of National Spot Exchange Limited provide as under:-

**"3.5 RECORDS FOR EVIDENCE**

*The records of the Exchange as maintained by a central processing unit or a cluster of processing units or computer processing units or on "NEST" or any other trading system of the Exchange, whether maintained in any register, magnetic storage units, electronic storage units, optical storage units or computer storage units or in any other manner or on any other accepted media, shall constitute the agreed and authenticated record in relation to any transaction entered into or executed through "NEST" or any other trading system of the Exchange.*

*The records as maintained by the Exchange shall, for the purpose of any dispute or claim between the members of the Exchange inter se or between any exchange member and his clients or between the members of the Exchange and the Exchange or the Clearing House regarding trading, clearing or settlement of any deal or transaction carried out on "NEST" or any other trading system of the Exchange and*

reported to the Exchange, constitute **valid and binding evidence between and among the parties.**

### **"3.10 INDEMNITY**

*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.*

### **"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.*

### **"11. REPORTS**

**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.*

11.6 *Each member of the Exchange shall submit itself to audit and investigation and furnish all books, records, files and such other information as required upon the direction of the Relevant Authority. The audit and investigation shall be restricted to the affairs of the Exchange member as a provider of trading, clearing and settlement services to their client as also in respect of his trading, either directly or through another Clearing member."*

*(Emphasis supplied)*

42.2 SRTC have not produced before the Committee any evidence or documents to disapprove the correctness of any of the entries in the accounts of SRTC maintained by NSEL. SRTC have not produced before the Committee any material to indicate that at any time prior to August 2013, SRTC had raised any objection to the entries made in the accounts relating to SRTC maintained by NSEL.

42.3 SRTC and its clients have failed to produce before the Committee complete records of sales and purchases and transactions on NSEL platform including all Sales and Purchases Invoices and complete sales and purchases and stock registers and stock statements submitted to the concerned Brokers. The incomplete record produced by SRTC/clients of SRTC before the Committee is not adequate for considering the veracity of claims of SRTC.

42.4 Under Bye-law 3.5 of Byelaws of NSEL quoted in para 42.1 above, records of NSEL constitute the agreed and authenticated record and evidence in relation to any transaction entered on exchange of NSEL.

42.5 Therefore, the Committee is of the view that the entries as recorded in the books of NSEL are required to be relied upon while determining the liability of SRTC to NSEL.

43. **Amounts claimed by NSEL from SRTC and findings of the Committee thereon:**

43.1 Ledger accounts maintained by NSEL in relation to transactions executed by SRTC on the trading system of NSEL, copies whereof have been produced along with the Affidavit dated 3<sup>rd</sup> October 2015 of Mr. Santosh Dhuri, Authorised Signatory of NSEL (Exhibit "H" hereto) and in respect whereof Certificate dated 19<sup>th</sup> March 2018 under Section 65-B of the Indian Evidence Act, 1872 issued by Mr. Vinod Tamore of NSEL has been submitted to the Committee, show the amount due and payable by SRTC to NSEL as on **30<sup>th</sup> July 2013** as under:-

(Amount in Rs.)

Particulars	Dr.	Cr.
Balance in Initial Margin Ledger Account	-	4,49,05,259.67
Balance in Member Daily Obligation Ledger Account	0	-
Balance in Member's Delivery Obligation Ledger Account	-	0

43.2 Members Delivery Obligation Ledger Account produced by NSEL contain entries relating to T+2 trades as also corresponding T+25 or T+10 trades and charges related to the trades and bank pay-in/pay-out in respect thereof.

43.3 Member Daily Obligation Ledger Account produced by NSEL reflect members obligation not directly related to trades such as exchange transaction charges and any bank pay-in/bank pay-out towards the same.

43.4 Member's Delivery Obligation Ledger Account of SRTC maintained by NSEL show the balance as on 30<sup>th</sup> July 2013 as '0.00'. Thus, all T+2 and T+10/T+25 trades for which due date was prior to 30<sup>th</sup> July 2013 have been settled without any dispute being raised by SRTC.

43.5 A summary of entries in Member's Delivery Obligation Ledger Account of SRTC produced by NSEL for 31<sup>st</sup> July 2013 is as under:-

(Amount in Rs.)

Sr. No.	Particulars	Dr.	Cr.	Balance
1.	Closing Balance as on 30.07.2013	-	0	0
2.	T+2 obligations due on 31 <sup>st</sup> July 2013 as per item A in <u>Exhibit "O"</u> hereto.	-	1,34,96,625.00	1,34,96,625.00 Cr.
3.	T+25 obligations due on 31 <sup>st</sup> July 2013 as per item B in <u>Exhibit "O"</u> hereto.	1,35,14,450.00	-	17,825.00 Dr.
4.	Warehouse Receipt Transfer Charges	25,372.00	-	43,197.00 Dr.
5.	<b>Balance as on 31.07.2013</b>			<b>43,197.00 Dr.</b>

43.6 The position of Member's Delivery Obligation Ledger Account of SRTC produced by NSEL for the period 1<sup>st</sup> August 2013 to 30<sup>th</sup> September 2013 is as under:-

(Amount in Rs.)

Sr. No	Particulars	Dr.	Cr.	Balance
1.	Closing Balance as on 31.07.2013 (Refer table in para. 43.5)	43,197.00	-	43,197.00 Dr
2.	Cancelled T+2 Trades due on 31 <sup>st</sup> July 2013 as per item A in <u>Exhibit "O"</u> hereto.	1,34,96,625.00	-	1,35,39,822.00 Dr.
3.	T+10/T+25 obligations due after 31 <sup>st</sup> July 2013 as per item C in <u>Exhibit "O"</u> hereto.	36,29,94,823.00	-	37,65,34,645.00 Dr.
4.	VAT Obligation	2,16,61,953.00	-	39,81,96,598.00 Dr.

5.	Warehouse Receipt Transfer Charges	13,666.00	-	39,82,10,264.00 Dr.								
6.	Credit Balance of initial margin account	-	4,49,05,260.00	35,33,05,004.00 Dr.								
7.	Debit balance in Member's Daily Obligation Account	85,274.00	-	35,33,90,278.00 Dr.								
8.	Receipt from Bank <table><tr><th>Date</th><th>Amount</th></tr><tr><td>14-08-2013</td><td>30,00,000.00</td></tr><tr><td>19-08-2013</td><td>40,00,000.00</td></tr><tr><td>26-08-2013</td><td>5,00,000.00</td></tr></table>	Date	Amount	14-08-2013	30,00,000.00	19-08-2013	40,00,000.00	26-08-2013	5,00,000.00	-	75,00,000.00	34,58,90,278.00 Dr.
Date	Amount											
14-08-2013	30,00,000.00											
19-08-2013	40,00,000.00											
26-08-2013	5,00,000.00											
9.	Balance as on 30.09.2013	-	-	34,58,90,278.00 Dr.								

43.7 The Committee finds that out of VAT obligation of Rs.2,16,61,953/- mentioned at item 4 in para. 43.6 above, Rs.1,81,49,741/- is in respect of unsettled trade of Rs.36,29,94,822/- mentioned at item 3 in para. 43.6 above and the balance of Rs.35,12,212/- is VAT obligation in respect of settled trades. The Committee finds that at this stage, VAT amount of Rs.1,81,49,741 @ 5% of unsettled trade of Rs. 36,29,94,822 have not become payable. T+25/T+10 trades in respect whereof this amount of VAT has been claimed by NSEL have not been completed. If and when VAT invoices are raised and VAT is paid on these trades, liability for payment to NSEL of amount of VAT thereon can be considered.

43.8 On considering the defaults on the part of NSEL and its employees and agencies engaged by NSEL in providing and monitoring warehousing and other services and in the absence of sufficient justification for the amount of warehouse receipt transfer charges of Rs.25,372/- mentioned at Item 4 in para. 43.5 above and warehouse receipt transfer charges of Rs.13,666/- mentioned at Item 5 in para. 43.6 above, the Committee has not included the same in the amounts payable by SRTC to NSEL.

43.9 A summary of findings of the Committee on Accounts in respect of SRTC maintained by NSEL is as under:-

Sr. No.	Particulars	Add/ (Less)	Amount (in Rs.)
A.	Amount shown as receivable from SRTC by NSEL as on 30.09.2013 (Debit Balance) (Item 9 in para. 43.6 above)		34,58,90,278.00
1.	Warehouse Receipt Transfer Charges (Item 4 of para. 43.5 above)	(Less)	25,372.00
2.	Warehouse Receipt Transfer Charges (Item 5 of para. 43.6 above)	(Less)	13,666.00
3.	VAT Amount not payable at this stage (vide para. 43.7 above)	(Less)	1,81,49,741.00
B.	Total Amount payable by SRTC to NSEL		32,77,01,499.00

43.10 Accordingly, as per Committee, an amount of **Rs.32,77,01,499/-** is due and payable by SRTC to NSEL as on 30<sup>th</sup> September 2013.

44.1 The main defence of SRTC to the claim of NSEL is that all the goods / commodities under the T+2 sale contracts were delivered to the warehouse in the custody and control of NSEL and SRTC and their clients are not liable for the consequences of non-delivery of the commodities under the outstanding T+10/T+25 purchase contracts as shown in "Annexure 1" to Report dated 2<sup>nd</sup> April 2014 of Sharp & Tannan (Exhibit "B" of Affidavit dated 3<sup>rd</sup> October 2015 filed on behalf of NSEL a copy whereof is pages 1414 Volume IV Part V of V hereto), a copy whereof is marked as **Exhibit "P"** hereto.

44.2 Under T+2 sale contracts 622 MT (311 Qty of 2 MT each) Red Chilli and 871.25 MT Black Pepper (697 MT of 1.25 MT each) was shown as sold by SRTC and its clients to members of NSEL, for which SRTC has received payment/credit of amounts aggregating to Rs.35.78 crores from NESL and under corresponding T+25 purchase contracts, SRTC and its clients have agreed to purchase 622 MT Red Chilli and 871.25 MT Black Pepper from members of NSEL for a total consideration of Rs.36.30 crores. It is claimed that the stock of 622 MT Red Chilli and 871.25 MT Black Pepper sold by SRTC under T+2 sale contracts mentioned above, was stored in the warehouse / cold storage of Shri Krishna Stock and Food at Saharanpur leased to NSEL under



Agreement dated 13<sup>th</sup> October 2011 (a copy whereof is annexed as Exhibit "E" to this Report). SRTC and its clients have not produced before the Committee documents or accounts to establish that SRTC and its clients had acquired stock of 622 MT Red Chilli and 871.25 MT Black Pepper for delivery under T+2 sale contracts mentioned above, for which SRTC have received payments/credit from NSEL of amounts aggregating to Rs.35.78 crores. The excuse given by SRTC for non-production of such record is that the relevant documents, which were with the Chartered Accountants of SRTC, were burnt in fire during the riots at Saharanpur. The documents handed over by SRTC to EOW, copies whereof have been made available to SRTC as also to the Committee, do not establish that on 26<sup>th</sup> June 2013 SRTC and its clients had stock of 622 MT Red Chilli and 871.25 MT Black Pepper. The documents produced before the Committee by SRTC and its clients, do not contain quantitative details relating to movement of stock in trade during the relevant period. SRTC have failed to produce before the Committee copies of sanction letters and stock statements submitted by Shri Krishna Trading Co. to State Bank of Patiala, Saharanpur Branch.

44.3 The Committee, on the basis of documents/records were available to them, has prepared monthly stock register of clients of SRTC, who undertook transactions of NSEL platform through SRTC. As per the accounts of Shree Krishna Trading Co. (client of SRTC) for the financial year 2011-12 made available by SRTC/EOW to the Committee, the figures of purchases and sales for the period 1<sup>st</sup> April 2011 to 24<sup>th</sup> January 2012 appeared as under:-

Sr. No.	Particulars	Amount (in Rs.)
a)	Opening Stock as on 31 <sup>st</sup> March, 2011 (as per audited accounts)	21,30,000
b)	Purchases from 1 <sup>st</sup> April 2011 to 24 <sup>th</sup> January 2012	9,82,05,788
c)	Total (a + b)	10,03,35,788
d)	Sales from 1 <sup>st</sup> April 2011 to 24 <sup>th</sup> January 2012	16,21,73,708

Thus, as against aggregate stock of Rs.10,03,35,788/-, the sales shown were of Rs.16,21,73,708/- resulting in a gross profit of Rs.6,18,37,920/-, i.e. nearly 38%. However, Tax Audit Report of Shree Krishna Trading Co. for the financial year 2011-12 made available by SRTC to the Committee showed gross profit ratio of 0.4%. The Committee called for explanation of SRTC for this discrepancy in the ratio of gross profits. SRTC in their response dated 20<sup>th</sup> June 2016 (pages 167 to 359 of Volume V Part II of II) submitted that in March 2012, Shree Krishna Trading Co. had purchased red chilli from Harsha Traders for Rs.16,23,66,753/- and sold the same on NSEL platform in March 2012 for Rs.6,48,37,180/-. SRTC in their response dated 12<sup>th</sup> August 2017 (pages 79 to 116 of Volume VI) submitted that in March 2012 Shree Krishna Trading Co. had purchased from Harsha Traders red chilli at the rate of about Rs.97/- per kg. and in March 2012 sold red chilli on NSEL platform at the rate of about Rs.54/- per kg. A copy of Exhibit "A" to the submission dated 12<sup>th</sup> August 2017 of SRTC (page 88 of Volume VI) is Exhibit "Q" hereto. SRTC submitted that as against gross profit of Shree Krishna Trading Co. of Rs.6,18,37,920/- on purchases of Rs.10,03,35,028/- during the period 1<sup>st</sup> April 2011 to 31<sup>st</sup> January 2012, SRTC had made a loss of Rs.9,75,29,573/- on their purchases and sales in the month of March 2012 and thereby their gross profit had been reduced to Rs.25,75,790.69. The Committee finds that the prices at which SRTC and their clients have shown sales and purchases on NSEL platform are not realistic and the figures of quantities and rates of trades in commodities by SRTC and its clients on NSEL platform are not reliable.

- 44.4 As mentioned in para. 30 above, upto 31 March 2013, T+2 sale contracts were entered into by SRTC on behalf of their client Shree Krishna Trading Company and the corresponding T+10/T+25 purchase contracts of SRTC were for their client Harsha Traders. Ramesh Nagpal, Sole Proprietor of SRTC is also the Sole Proprietor of Harsha Traders. Ramesh Nagpal is also a Director of R. S. Nagpal

Traders Pvt. Ltd. From the data such as accounts, invoices/bills/ registers made available to the Committee, the Committee prepared a statement of opening stock, purchase and sales and closing stocks of Harsha Traders for black pepper and called upon SRTC to make submissions thereon.

- 44.5 The working of stock statement of black pepper of Harsha Traders prepared by the Committee based on the accounts and invoices/bills/registers provided to the Committee, is as under:

**Stock of Black Pepper of M/s. Harsha Traders (client of SRTC)**

Period	Opening Stock (MT)	Purchases (MT)	Sales (MT)	Closing Stock (MT)
April 1, 2011 to November 3, 2011		0.00	0.00	0.00
November 4, 2011 to November 30, 2011	0.00	42.45	42.40	0.05
Dec 2011	0.05	57.50	57.50	0.05
Jan 2012	0.05	48.75	48.75	0.05
Feb 2012	0.05	50.00	50.00	0.05
Mar 2012	0.05	3.60	0.00	3.65
Apr 2012	3.65	50.00	50.00	3.65
May 2012	3.65	33.00	48.00	-11.35
June 2012	-11.35	70.00	158.25	-99.60
July 2012	-99.60	120.00	42.00	-21.60
Aug 2012	-21.60	222.50	233.50	-32.60
Sept 2012	-32.60	243.75	232.90	-21.75
Oct 2012	-21.75	347.50	359.23	-33.48
November 1, 2012 to November 26, 2012	-33.48	473.75	712.54	-272.27

- 44.6 From the data of purchases and sales of black pepper in the case Harsha Traders, for the period April 1, 2011 to November 26, 2012, it

appeared that the sales of black pepper exceeded the purchases by 272.27 MT. Assuming an average rate of purchases per MT is Rs. 3.85 lacs per MT, the shortage of stock works out to Rs. 10.48 crores. This also indicated that accounts of Harsha Traders are showing sales without corresponding purchases.

- 44.7 SRTC, on behalf of Shree Krishna Trading Company in their response dated 20<sup>th</sup> June 2016 submitted their version of stock statement of black pepper of Harsha Traders for the period 1<sup>st</sup> April 2011 to November 2012 as under:-

Period	Opening Stock	Purchase (MT)	Sales (MT)	Closing Stock (MT)
01.04.2011 to 03.11.2011	Nil	Nil	Nil	Nil
04.11.2011 to 30.11.2011	Nil	42.45	42.40	0.05
December 2011	0.05	57.50	57.50	0.05
January 2012	0.05	48.75	48.75	0.05
February 2012	0.05	50.00	50.00	0.05
March 2012	0.05	3.60	0.00	3.65
April 2012	3.65	50.00	50.00	3.65
May 2012	3.65	95.50	48.00	51.15
June 2012	51.15	107.50	158.25	0.40
July 2012	0.40	120.0	57.00	63.40
August 2012	63.40	222.50	233.50	52.40
September 2012	52.40	243.75	232.90	63.25
October 2012	63.25	347.50	359.230	51.520
<b>November 2012</b>	<b>51.520</b>	<b>652.50</b>	<b>579.820</b>	<b>124.20</b>
<b>Total</b>		<b>2041.55</b>	<b>1917.35</b>	

- 44.8 The quantities of stock of black pepper of Harsha Traders during the period 1<sup>st</sup> April 2011 to 31<sup>st</sup> October 2012 as claimed by SRTC are correct. However, in the month of November 2012, SRTC through Harsha Traders have shown purchase of 652.50 MT of black pepper

and sale of 579.820 MT of black pepper, thus showing a closing stock of 124.40 MT as on November 2012.

44.9 From the data made available to the Committee, the Committee finds that the purchases by Harsha Traders of black pepper in November 2012 were of 473.75 MT and the sales of black pepper by Harsha Traders in November 2012 were of 537.17 MT, resulting in deficit stock of 11.90 MT as at the end of November 2012.

44.10 The Committee has prepared a revised stock statement of Harsha Traders for black pepper as under:-

Period	Opening Stock (MT)	Purchases (MT)	Sales (MT)	Closing Stock (MT)
April 1, 2011 to November 3, 2011		-	-	-
November 4, 2011 to November 30, 2011	-	42.45	42.40	0.05
December 2011	0.05	57.50	57.50	0.05
January 2012	0.05	48.75	48.75	0.05
February 2012	0.05	50.00	50.00	0.05
March 2012	0.05	3.60	-	3.65
April 2012	3.65	50.00	50.00	3.65
May 2012	3.65	95.50	48.00	51.15
June 2012	51.15	107.50	158.25	0.40
July 2012	0.40	120.00	57.00	63.40
August 2012	63.40	222.50	233.50	52.40
September 2012	52.40	243.75	232.90	63.25
October 2012	63.25	347.50	359.23	51.52
November 1, 2012 to November 26, 2012	51.52	473.75	537.17	(11.90)

44.11 From the records and documents made available, the Committee has prepared stock statement of Red Chilli as under:

## Stock of Red Chillies

Period	Opening Stock (MT)	Purchases (MT)	Sales (MT)	Closing Stock (MT)
April 1, 2011 to November 3, 2011	No details given about opening stock	26.73	17.20	9.53
November 4, 2011 to November 30, 2011	9.53	250.06	250.00	9.59
December 2011	9.59	240.00	236.00	13.59
January 2012	13.59	263.19	258.00	18.78
February 2012	18.78	65.18	69.00	14.96
March 2012	14.96	299.12	318.40	(4.32)
April 2012	(4.32)	385.80	374.00	7.48
May 2012	7.48	440.31	412.00	35.79
June 1, 2012 to June 10, 2012	35.79	3.82	149.00	(109.40)
June 11, 2012 to June 30, 2012	(109.40)	532.00	2.00	420.60
July 2012	420.60	39.92	346.00	114.52
August 2012	114.52	89.30	-	203.82
September 2012	203.82	2.22	-	206.04
October 2012	206.04	-	-	206.04
November 1, 2012 to November 29, 2012	206.04	-	313.89	(107.85)

44.12 According to the records made available to the Committee, the sales of black pepper by SRTC on NSEL Platform exceeded the stock available with SRTC and its client by 11.90 MT and the sales of red chilli by SRTC on NSEL platform exceeded the stock available with SRTC and its client by 107.85 MT. It therefore appears that both the quantities and rates of black pepper and red chillies traded by SRTC on NSEL platform have been exaggerated and not supported by

corresponding purchases. As mentioned in para. 7 (iv) and (v) above, as against quantity of 845 MT of red chilli and 820.5 MT of black pepper declared by NSEL, the quantity declared at the time of inspection by SGS India Pvt. Ltd. on 16<sup>th</sup> August 2013 was 325.80 MT of red chilli and 331.36 MT of black pepper and quantities available at the time of visit by representative of Court Receiver as mentioned in his Report dated 7<sup>th</sup> November 2013 were approximately about 250 MT of red chilli and 282 MT of black pepper. As mentioned in para 9 above, it appears that on 16<sup>th</sup> January 2015, only 45 bags of black pepper were available in the warehouse.

45.1 As mentioned in para. 30 above, after 31<sup>st</sup> March 2013, SRTC commenced entering into T+2 sale contracts on behalf of its client Suavity Trading Company Pvt. Ltd. and corresponding T+10/T+25 purchase contracts on behalf of its client R. S. Nagpal Traders Private Limited.

45.2 NSEL record shows that on and after 26<sup>th</sup> June 2013, SRTC has entered into T+2 sale transaction for Rs.35.78 Crores, for which SRTC has received payment/credit from NSEL and SRTC have entered into corresponding T+10/T+25 purchase transaction for Rs. 36.30 crores, as shown in "Annexure 1" to Report dated 2<sup>nd</sup> April 2014 of Sharp & Tannan (Exhibit "B" of Affidavit dated 3<sup>rd</sup> October 2015 filed on behalf of NSEL a copy whereof is pages 1414 Volume IV Part V of V hereto), a copy whereof is marked as Exhibit "P" hereto. Out of the T+2 sale transactions aggregating to Rs.35.78 crores entered into by SRTC on or after 26<sup>th</sup> June 2013, SRTC has recorded in their books, T+2 transaction of Rs.7.96 crores with Anand Rathi Commodities Ltd. and SRTC have not recorded the balance T+2 transactions for aggregate amount of Rs. 27.82 crores. SRTC has not recorded corresponding T+10/T+25 purchase transactions aggregating Rs.36.30 crores entered into on and after 26<sup>th</sup> June 2013.

- 45.3 From the discrepancies noticed by the Committee in the availability of stocks in quantities sufficient to support T+2 sales contracts of SRTC on NSEL platform, it appears that the transactions of sales and purchases of SRTC on NSEL platform are in the nature of financing transactions, by which under T+2 contracts, SRTC has received payments from NSEL/members of NSEL and under corresponding T+10/T+25 contracts, SRTC has agreed to make payment of a higher amount to NSEL/members of NSEL irrespective of availability of sufficient stock.
46. The Committee has noted that in March 2013, in many of the T+2 sales transactions as also T+10 and T+25 purchase transactions, the member of NSEL as shown by SRTC is different from the member as shown by NSEL in their records. The Committee has not considered the implications of the discrepancy in the names of Members of NSEL as shown by NSEL and as shown by SRTC, as the same is not relevant for determination of liability of SRTC to NSEL. The implications of the discrepancy in the names of Members of NSEL as shown by NSEL and as shown by SRTC may have to be considered while considering the liability of NSEL to its non-defaulting Members, in case there are rival claims by non-defaulting Members in respect of any trade with SRTC on NSEL platform.
47. As mentioned in Report No.14 of 2016 dated 21<sup>st</sup> October 2016 (now numbered Report No.34) referred to in para 6 above, SRTC has been permitted to take delivery of stock of red chilli and black pepper stored at warehouse at Janata Road, Saharanpur, Uttar Pradesh at the rate of Rs.120/- per kg. for red chilli and Rs.725/- per kg. for black pepper. SRTC has not made payments and not taken deliveries pursuant to the Order dated 31<sup>st</sup> August 2016 passed by the Hon'ble MPID Court (part of Exhibit "F" to Report No.34) and no objection dated 20<sup>th</sup> October 2016 granted by this Committee as mentioned in Report No.14 of 2016 (now numbered Report No.34) dated 21<sup>st</sup> October 2016, on the excuse that Shri Krishna Cold Storage and



Foods, who are the owners of the warehouse in which the stock of red chili and black pepper is stored, raised objections on account of non-payment of warehousing charge/rent due to them. Mr. Ramesh Nagpal, sole proprietor of SRTC, is a partner in Shri Krishna Cold Storage and Foods. It appears that SRTC has not taken any steps or proceedings for obtaining delivery of stock of red chilli and black pepper, in respect whereof the Court Receiver, High Court Bombay has been appointed Receiver under the Order dated 6<sup>th</sup> May 2015 passed by this Hon'ble Court in Notice of Motion (L) No.2994 of 2014 in Third Party Notice No.16 of 2014 in Suit No.173 of 2014 (Exhibit A-2 to Report No.34).

48. The bank account statements of SRTC settlement account with HDFC Bank for the period 1<sup>st</sup> January 2012 to 14<sup>th</sup> August 2013 filed by NSEL with the Committee along with their Advocates' letter dated 28<sup>th</sup> February 2018 (correctness whereof has not been disputed by SRTC) show that the total amounts paid by NSEL to SRTC aggregated to Rs.303.47 crores and the total amount received by NSEL from SRTC aggregated to Rs.278.54 crores. Thus, SRTC has received from NSEL and its members net amount of Rs.24.93 crores.
49. A summary of debit and credit in the account of SRTC maintained by NSEL for the period 1<sup>st</sup> April 2011 to 30<sup>th</sup> September 2013 is as under:-

Sr. No.	Particulars	Amount (Rs. in crores)
1.	Total amounts paid by NSEL to SRTC	303.47
	<b>Less:</b>	
2.	Total amount received by NSEL from SRTC	278.54
3.	<b>Excess of payment over receipt by NSEL to SRTC [(1)-(2)]</b>	24.93
	<b>Add:</b>	
4.	Difference between T+10/T+25 purchase obligation	

	amounts and T+2 sale obligation amounts for trades between 1 <sup>st</sup> April 2011 and 30 <sup>th</sup> September 2013: Total purchases Excluding VAT Rs.357,35,81,627.50 <u>Less: Sales (excluding VAT) Rs.351,04,02,507.50</u> Rs. 6,31,79,120.00	6.31
5.	Transaction charges	0.07
6.	Warehouse and delivery-related charges	0.66
7.	VAT equivalent	2.62
8.	Other charges	0.02
9.	<b>Total amount receivable from SRTC as per books of NSEL</b> <b>[(3)+(4)+(5)+(6)+(7)+(8)]</b>	<b>34.59</b>
	<b>Less:</b>	
10.	Amount disallowed as mentioned in paras. 43.7 above	1.82
11.	<b>Amount payable by SRTC to NSEL as per committee [(9)-(10)]</b>	<b>32.77</b>

50. **Summary of Findings of the Committee:**

According to the Committee, Rs.32,77,01,499/- (Rupees Thirty-two Crores Seventy-seven Lakhs One Thousand Four Hundred and Ninety-nine Only) (vide para. 43.10 above) is due and payable by SRTC to NSEL as on 30<sup>th</sup> September 2013.

51. The liability of SRTC to NSEL arises out of commercial transaction and the rate of interest as also the date from which interest may be payable by SRTC on amounts due and payable by SRTC to NSEL may be determined by the Hon'ble Court.

52. Copies of this Report are being served on following persons:-

- (1) M/s. Naik Naik & Co. Advocates for National Spot Exchange Ltd.

- |      |                                      |   |
|------|--------------------------------------|---|
| (1)  | M/s. Naik Naik & Co.                 | Advocates for National Spot Exchange Ltd.   |
| (2)  | M/s. Rashmikanth & Partners          | Advocates for Modern India Ltd.   |
| (3)  | M/s. Cyril Amarchand Mangaldas & Co. | Advocates for 63 Moons Technologies (I) Ltd. & Ors. previously known as Financial Technologies (India) Ltd. |
| (4)  | The Law Point                        | Advocates for MMTC Ltd.   |
| (5)  | M/s. Mansukhlal Hiralal & Co.        | Advocates for L. J. Tanna Shares and Securities Pvt. Ltd.   |
| (6)  | Mr. Sanjay Kadam                     | EOW   |
| (7)  | Mr. K. Suryakrishnamurti             | Competent Authority   |
| (8)  | M/s. Markand Gandhi & Co.            | Advocates for NSEL Investors' Action Group  |
| (9)  | M/s. Deven Dwarkadas & Partners      | Advocates for NSEL Aggrieved and Recovery Association   |
| (10) | Mr. Sandeep Karnik                   | Advocate for NSEL Investors Forum   |
| (11) | Mr. Mehul Shah                       | Advocate for Defendant Nos.29 to 32, 34 and 35 in Suit No.173 of 2014                                       |
| (12) | Mr. P.R. Yadav                       | Advocate for M/s. Shree Radhey Trading Co.  |
| (13) | State Bank of India                  | -   |

Dated this 30<sup>th</sup> day of March 2019

Sd/-  
**(Justice V. C. Daga (Retd.))**  
 Chairman

Sd/-  
**(J. S. Solomon)**  
 Advocate and Solicitor  
 Member

Sd/-  
**(Yogesh Thar)**  
 Chartered Accountant  
 Member

## EXHIBIT "A"

## STATEMENTS OF ATTENDANCES AT MEETING BEFORE THE COMMITTEE RELATING TO SHREE RADHEY TRADING CO. &amp; OTHERS:-

Sr. No.	Dates of Meeting	Order Sheet No	Meeting attended by/ on behalf of NSEL	Meeting attended by/ Plaintiffs in Suit No. 173 of 2014	Meeting attended by/ Plaintiffs in Suit No. 121 of 2014	Meeting attended by/ on behalf of Shree Radhey Trading Co. & Others	Meeting attended by EOW/ on behalf of EOW	Meeting attended by Competent Authority/ on behalf of Competent Authority
1.	19.12.2014	13B	Yes	Yes	Yes	Yes	Yes	Yes
2.	22.01.2015	17C	Yes	Yes	Yes	No	Yes	No
3.	03.02.2015	Order on Application No.18 of 2015	Yes	Yes	Yes	Yes	Yes	No
4.	18.02.2015	20E	Yes	Yes	Yes	Yes	Yes	Yes
5.	05.03.2015	22C	Yes	Yes	Yes	Yes	Yes	No
6.	28.03.2015	25B	Yes	Yes	Yes	Yes	Yes	Yes
7.	15.04.2015	27D	Yes	Yes	Yes	Yes	Yes	No
8.	09.05.2015	30F	Yes	Yes	Yes	Yes	Yes	No
9.	26.06.2015	31D	Yes	Yes	Yes	Yes	No	Yes
10.	04.07.2015	Order on Application No.18 of 2015	Yes	Yes	Yes	No	Yes	No
11.	08.07.2015	Order on Application No.39 of 2015	Yes	Yes	Yes	No	Yes	No
12.	14.07.2015	34A	Yes	Yes	Yes	Yes	Yes	No
13.	14.07.2015	34K	Yes	Yes	Yes	Yes	Yes	No
14.	05.08.2015	35E	Yes	Yes	Yes	Yes	Yes	Yes
15.	08.09.2015	38H	Yes	Yes	Yes	Yes	Yes	No
16.	05.10.2015	43F	Yes	Yes	Yes	Yes	Yes	No
17.	19.10.2015	45C	Yes	No	Yes	Yes	Yes	No
18.	30.11.2015	47C	Yes	Yes	Yes	Yes	Yes	No
19.	18.01.2016	53C	Yes	Yes	No	Yes	No	No
20.	29.01.2016	56C	Yes	Yes	No	Yes	Yes	Yes

21.	27.02.2016	58B		Yes	Yes	No	Yes	Yes	Yes	No
22.	10.03.2016	59B		Yes	Yes	No	No	Yes	No	No
23.	11.03.2016	60		Yes	Yes	No	Yes	Yes	Yes	No
24.	26.04.2016	62B		Yes	Yes	No	Yes	Yes	Yes	No
25.	14.05.2016	63D		Yes	Yes	No	No	Yes	No	No
26.	29.06.2016	65B		Yes	Yes	Yes	No	No	No	No
27.	16.07.2016	66B		Yes	Yes	Yes	Yes	Yes	Yes	No
28.	10.07.2017	67D		Yes	Yes	Yes	Yes	Yes	No	No
29.	22.07.2017	68C		Yes	Yes	Yes	Yes	Yes	Yes	No
30.	12.08.2017	69		Yes	Yes	Yes	Yes	Yes	Yes	No
31.	07.09.2017	70B		Yes	Yes	Yes	Yes	Yes	Yes	Yes
32.	06.10.2017	71D		Yes	Yes	No	No	No	Yes	Yes
33.	20.11.2017	73B		Yes	Yes	Yes	No	Yes	No	No
34.	07.12.2017	74A		Yes	No	No	Yes	Yes	No	No
35.	05.10.2018	76B		Yes	Yes	Yes	Yes	Yes	Yes	No
36.	08.02.2018	77B		Yes	Yes	Yes	Yes	Yes	Yes	No
37.	01.03.2018	78C		Yes	Yes	Yes	Yes	Yes	No	No
38.	08.03.2018	80		Yes	Yes	Yes	Yes	Yes	Yes	No
39.	15.03.2019	92		Yes	No	No	Yes	Yes	No	No

\*\*\*\*\*

**Exhibit "B-1 "**

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

**REPORT NO.49**

IN

NOTICE OF MOTION NO.240 OF 2014

IN

SUIT NO.173 OF 2014

WITH

TPN 2 OF 2014 TO TPN 15 OF 2014

Modern India Limited &amp; Ors.

...Plaintiffs / Applicants

versus

Financial Technologies (I) Ltd. &amp; Ors.

...Defendants

**Index to volume I - Orders passed by the Committee**

Sr. No.	Date	Particulars	Pg. No.
1.	19.12.2014	Order Sheet No.13B	1-4
2.	22.01.2015	Order Sheet No.17C	5-7
3.	03.02.2015	Order on Application No.18 of 2015	8-10
4.	18.02.2015	Order Sheet No.20E	11-13
5.	05.03.2015	Order Sheet No.22C	14-16
6.	28.03.2015	Order Sheet No.25B	17-19
7.	15.04.2015	Order Sheet No.27D	20-21
8.	09.05.2015	Order Sheet No.30F	22-25
9.	26.06.2015	Order Sheet No.31D	26-28
10.	04.07.2015	Order on Application No. 27 of 2015	29-30
11.	08.07.2015	Order on Application No. 39 of 2015	31-32
12.	14.07.2015	Order Sheet No.34A	33-36
13.	14.07.2015	Order Sheet No.34K	37-38
14.	05.08.2015	Order Sheet No.35E	39-41
15.	08.09.2015	Order Sheet No.38H	42-43
16.	05.10.2015	Order Sheet No.43F	44-45
17.	19.10.2015	Order Sheet No.45C	46-47
18.	30.11.2015	Order Sheet No.47C	48-50
19.	18.01.2016	Order Sheet No.53C	51-53
20.	29.01.2016	Order Sheet No.56C	54-55
21.	27.02.2016	Order Sheet No.58B	56-57
22.	10.03.2016	Order Sheet No.59B	58-59
23.	11.03.2016	Order Sheet No.60	60-62
24.	26.04.2016	Order Sheet No.62B	63-64
25.	14.05.2016	Order Sheet No.63D	65-66
26.	29.06.2016	Order Sheet No.65B	67-68
27.	16.07.2016	Order Sheet No.66B	69-70
28.	10.07.2017	Order Sheet No.67D	71-72
29.	22.07.2017	Order Sheet No.68C	73-75
30.	12.08.2017	Order Sheet No.69	76-77
31.	07.09.2017	Order Sheet No.70B	78-79
32.	06.10.2017	Order Sheet No.71D	80-81
33.	20.11.2017	Order Sheet No.73B	82-83
34.	07.12.2017	Order Sheet No.74A	84

Sr. No.	Date	Particulars	Pg. No.
35.	05.01.2018	Order Sheet No.76B	85-86
36.	08.02.2018	Order Sheet No.77B	87-88
37.	01.03.2018	Order Sheet No.78C	89-90
38.	08.03.2018	Order Sheet No.80	91-92
39.	15.03.2019	Order Sheet No.92	93-94

\*\*\*\*\*

**Exhibit "B-2 "**

50

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

**REPORT NO.49**

IN

NOTICE OF MOTION NO.240 OF 2014

IN

SUIT NO.173 OF 2014

WITH

TPN 2 OF 2014 TO TPN 15 OF 2014

Modern India Limited &amp; Ors.

...Plaintiffs / Applicants

versus

Financial Technologies (I) Ltd. &amp; Ors.

...Defendants

**Index to volume II - Notices and Correspondences**

Sr. No.	Date	Particulars	Pg. No.
1.	02.11.2013	List of documents provided as per the instruction of EOW (Mumbai) by the Shree Radhey Trading Co.("SRTC")	1-7
2.	16.04.2014	Notice addressed by the Advocate for Shree Krishna Trading Co. to M/s Anand Rathi Commodities International Pvt. Ltd. and National Spot Exchange Limited("NSEL")	8-9
3.	22.10.2014	Notice addressed by the Secretary (Legal) of the Committee to SRTC to appear before the Committee	10-11
4.	22.10.2014	Notice addressed by the Secretary (Legal) of the Committee to Harsha Traders to appear before the Committee	12-13
5.	22.10.2014	Notice addressed by the Secretary (Legal) of the Committee to Shree Krishna Trading Company to appear before the Committee	14-15
6.	22.10.2014	Notice addressed by the Secretary (Legal) of the Committee to Suavity Trading Company Pvt. Ltd. to appear before the Committee	16-17
7.	22.10.2014	Notice addressed by the Secretary (Legal) of the Committee to R.S. Nagpal Traders Pvt. Ltd. to appear before the Committee	18-19
8.	05.01.2015	Letter addressed by the office of the Collector and District Magistrate, Mumbai to the Committee	19A-19F



9.	15.01.2015	Letter addressed by Shree Krishna Cold Storage & Foods to the Officers of EOW	19G-19J
10.	28.01.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for Advocate for SRTC enclosing copy of Order Sheet No.17C dated 22nd January 2015	20
11.	10.02.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing Order on Application No. 18 of 2015 dated 3 <sup>rd</sup> February 2015.	21
12.	25.02.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No.20E dated 18 <sup>th</sup> February 2015.	22
13.	11.03.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No.22C dated 5 <sup>th</sup> March 2015.	23
14.	11.03.2015	Letter addressed by the Advocate for NSEL to the Committee.	24-25
15.	19.03.2015	Letter addressed by the Advocate for NSEL to the Committee.	26-27
16.	04.04.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No.25B dated 28 <sup>th</sup> March 2015.	28
17.	15.04.2015	Letter addressed by M/s Arora Bedi & Associates to the Committee	28A-28B
18.	28.04.2015	Letter addressed by the Secretary (Legal) of the Committee to the Advocate for NSEL	29-34
19.	14.05.2015	Notice addressed by the Advocate for Shree Krishna Trading Co. to Indian Bullion Market Association Pvt. Ltd. and NSEL	35-38
20.	14.05.2015	Notice addressed by the Advocate for Shree Krishna Trading Co. to Sahara Q Shop and NSEL	39-42
21.	14.05.2015	Notice addressed by the Advocate for Shree Krishna Trading Co. to Anand Rati Commodities International Pvt. Ltd. and NSEL	43-44
22.	14.05.2015	Notice addressed by the Advocate for Shree Krishna Trading Co. to Press Commodities Brokers Pvt. Ltd. and NSEL	45-48

23.	14.05.2015	Notice addressed by the Advocate for Shree Krishna Trading Co. to Anand Rati Commodities International Pvt. Ltd. and NSEL	49-51
24.	19.05.2015	Letter addressed by the Advocates for NSEL to the Committee.	52-56
25.	20.05.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No.30F dated 9 <sup>th</sup> May 2015.	57
26.	22.05.2015	Letter addressed by the Advocates for NSEL to Committee member.	58-59
27.	08.06.2015	Letter addressed by the Secretary (Legal) of the Committee to 12 parties	60-61
28.	30.06.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No.31D dated 26 <sup>th</sup> June 2015 and Order on Application dated 26 <sup>th</sup> June 2015	62
29.	14.07.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No.34K dated 14 <sup>th</sup> July 2015.	63
30.	30.07.2015	Notice addressed by the Advocate for Shree Krishna Trading Co. to Indian Bullion Market Association Ltd. and NSEL.	64-65
31.	30.07.2015	Notice Addressed by the Advocate for Shree Krishna Trading Co. to Press Commodities Brokers Pvt. Ltd. and NSEL.	66-67
32.	30.07.2015	Notice addressed by the Advocate for Suavity Trading Co. Pvt. Ltd. to Anand Rati Commodities International Pvt. Ltd. and NSEL	68-69
33.	30.07.2015	Notice addressed by the advocate for Shree Krishna Trading Co. to Anand Rati Commodities International Pvt. Ltd. and NSEL	70-71
34.	10.08.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No.35E dated 5 <sup>th</sup> August 2015.	72
35.	25.08.2015	Letter addressed by Advocates for NSEL to Advocates for SRTC.	73-75

36.	05.09.2015	Letter addressed by Advocates for NSEL to Mr. Arvind Wadankar, Investigation officer EOW	76
37.	07.09.2015	Letter addressed by Advocates for NSEL to Advocates for SRTC	77-78
38.	15.09.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No. 38H dated 8 <sup>th</sup> September 2015.	79
39.	28.09.2015	Letter addressed by SRTC to Mr Arvind Wadankar, Investigation officer, EOW.	80-81
40.	28.09.2015	Letter addressed by SRTC to Committee	82-85
41.	15.10.2015	Letter addressed by Shree Radhey Trading Co. to the Committee	85A-85B
42.	20.10.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No. 45C dated 19 <sup>th</sup> November 2015.	86
43.	11.12.2015	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No. 47C dated 30 <sup>th</sup> November 2015.	87
44.	30.12.2015	Letter addressed by Mr. Ramesh Nagpal to Mr. Arvind Wadankar, Investigation officer EOW	88
45.	21.01.2016	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No.53C dated 18 <sup>th</sup> January 2016.	89
46.	04.02.2016	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No. 56C dated 29 <sup>th</sup> January 2016.	90
47.	10.02.2016	Letter addressed by the Advocates for NSEL to the Advocates for SRTC and SRTC	91-92
48.	01.03.2016	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No.58B dated 27 <sup>th</sup> February 2016.	93
49.	14.03.2016	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing	94

		copy of Order Sheet No.59B dated 10 <sup>th</sup> March 2016.	
50.	15.03.2016	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No. 60 dated 11 <sup>th</sup> March 2016.	95
51.	25.04.2016	Letter addressed by the Advocates for NSEL to Advocates for SRTC	96-97
52.	03.05.2016	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No.62B dated 26 <sup>th</sup> April 2016	98
53.	11.05.2016	Letter addressed by the Advocates of NSEL to Advocates for SRTC	99-100
54.	20.05.2016	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No 63D dated 14 <sup>th</sup> May 2016	101
55.	14.06.2016	Letter addressed by the Secretary (Legal) of the Committee to Advocates for SRTC.	102-103
56.	24.06.2016	Email addressed by the Secretary (Legal) of the Committee to SRTC and NSEL	104-105
57.	05.07.2016	Letter addressed by the Secretary (Legal) of the Committee to State Bank of Patiala.	106-107
58.	05.07.2016	Letter addressed by the Secretary (Legal) of the Committee to SRTC	108-111
59.	08.07.2016	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing copy of Order Sheet No 65B dated 29 <sup>th</sup> June 2016.	112-113
60.	14.07.2016	Letter addressed by the Advocates of NSEL to Advocates for SRTC and SRTC	114-115
61.	25.07.2016	Letter addressed to by the Secretary (Legal) of the Committee to State Bank of Patiala.	116-116A
62.	25.07.2016	Letter addressed by the Secretary (Legal) of the Committee to Advocate for SRTC enclosing	117