

NSEL NEWS



Dear Esteemed Stakeholders and Readers,

Welcome to the issue of our June 2022 newsletter – NSEL NEWS. We believe that it is our prime duty to keep you updated on the progress of recovery and ongoing litigation against the defaulters and relentless efforts by the new management team of NSEL in this regard. We continue with our journey with full commitment and dedication towards making recovery from defaulters by following the course of law.

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

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

Best Regards,

Communications Team

NEWS

NSEL GETS DEFAULTERS PROPERTY IN UAE ATTACHED BY DIRECTORATE OF ENFORCEMENT (ED)

ED has made its first international attachment in NSEL matter. NSEL had got information that Anubhav Aggarwal and Kailash Aggarwal had siphoned off monies to Dubai and invested in real estate. This information was shared with the agencies, based on which the investigation and attachment has been done vide provisional attachment order (PAO) dated 30th July 2021. The attached property i.e. Land at Plot No. 796, Palm Jumeirah, Dubai admeasuring 622.44 sq. mtrs is worth 1.27 cr Dirhams i.e. Rs 25.23 cr (approx). The PAO has also been confirmed by the Adjudicating Authority (under PMLA) in New Delhi vide order dated 19th April 2022. Anubhav Aggarwal is one of the key mastermind and s/o Kailash Aggarwal of NSEL defaulter Ludhiana based Ark Imports Pvt Ltd (Genex Group) having default of Rs. 720 crs. NSEL has obtained Decree against Ark Imports for the full amount of default which is under execution before the High Powered Supreme Court Committee constituted vide Order dated 4th May 2022. Anubhav Aggarwal was earlier arrested in Dubai based on red corner notice issued by Indian agencies. Economic Offences Wing of Mumbai Police is the process of extraditing him to India for further investigations.

Economic Offences Wing of Mumbai Police and Central Bureau of Investigation have already filed charge-sheet against the defaulter and has named Anubhav Aggarwal and Kailash Aggarwal as accused in the matter. CBI had received inputs that Kailash Aggarwal was planning to flee the country to Dubai with a forged passport as his son had already absconded to Dubai and as a precautionary measure has already issued lookout circular against him.

NSEL singlehandedly obtained the attachment without any support from any of the traders association like NAARA, NIAG or NIF. This attachment done by ED, Mumbai is highly appreciable as it involved attaching defaulter asset in an international location.

SUPREME COURT REJECTS APPLICATION FILED BY DEFAULTER AGAINST NSEL

NSEL had filed four Complaints against P D Agroprocessors Pvt Ltd (Defaulter) and its Directors in Section 138 proceeding (under Negotiable Instruments Act). Sheetal Gupta is one of the then Director of P D Agroprocessors Pvt Ltd and wife of Surendra Gupta. Vide order dated 6th April 2017 the Hon'ble Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai ordered to issue notices to Sheetal Gupta in the said matter. Sheetal Gupta challenged the same before the Hon'ble Sessions Judge, Greater Bombay and the learned Sessions Judge vide order dated 14th November 2019, dismissed the said Revision Application of her.

Sheetal Gupta approached the Hon'ble Bombay High Court which again dismissed the application vide order dated 6th April 2022. Sheetal Gupta then filed application against the order passed by the Bombay High Court in Hon'ble Supreme Court. However, Supreme Court did not find any merits in the application and therefore rejected the same. NSEL is not leaving any stone unturned for recovery from the defaulters.

MPID COURT DISMISSES APPLICATION TO CLUB MPID MATTERS AND MATTERS UNDER SECTION 138 OF THE NEGOTIABLE INSTRUMENT ACT

Gagan Suri, sole proprietor of Yathuri Associates (defaulter) filed application in MPID Court to transfer the complaints which are filed against him by NSEL for the offences punishable under Section 138 of the Negotiable Instrument Act (N.I. Act) to the MPID Court. NSEL has filed three criminal cases bearing Nos. SS/8347 /2018, SS/8348/2018 and SS/10562/2016 which are pending before the Learned Metropolitan Magistrate 33rd Court, Ballard Pier, Mumbai. He claimed that all the assets have been attached by the Competent Authority and since the proceeding under the N.I. Act have been initiated by NSEL are also arising under the same proceeding and therefore in view of Section 6 (3) of the MPID Act those three cases are required to be transferred to this court.

EOW objected by application and claimed that the proceedings which are pending before MPID Court and the Learned Metropolitan Magistrate 33rd Court are not connected with each other and if both the

NEWS

proceedings are clubbed together, it would cause delay in deciding them and the very nature of the proceeding would be changed. NSEL contended that the application is not tenable before the court and averred that the provisions contemplated under Section 6 (3) of the MPID Act shall not apply to the present proceeding. NSEL contended that both the proceedings can be prosecuted simultaneously and prayed for rejection of the application.

MPID Court found nothing on record to show that the proceeding pending before the Learned Metropolitan Magistrate 33rd Court Ballard Pier are covered under the MPID Act and hence did not find merit in the application. MPID Court found merit in the submission made by NSEL that if such application is allowed and other proceedings are allowed to be transferred to the MPID Court, in that case it would open the flood gates of such type of application. The Court concluded that the application by Gagan Suri is liable to be dismissed and hence dismissed the application.

STATE OF MAHARASHTRA ATTACHES ADDITIONAL ASSETS OF DEFAULTER LOIL GROUP

State of Maharashtra has issued a new gazette notification dated 18th April 2022 attaching additional assets of LOIL Group. As per the gazette, the attachment includes agricultural lands of LOIL Group, Lakshmi Energy and Foods Ltd and others in Village Furoor, Village Khamano Kalan, Village Hawara and Village Rattangarh in Tehsil Khamano, Dist. Fatehgarh Sahib, Punjab. The value of the attached assets is around Rs. 500 crs. The Competent Authority has filed application in MPID Court for making the attached assets absolute. Once absolute by the MPID Court, the Competent Authority will auction the assets.

Directorate of Enforcement (ED) has attached assets of the LOIL Group including assets of Lakshmi Energy & Foods Ltd in Khamanao, Punjab vide provisional attachment order dated 15th March 2017.

HIGH POWERED SUPREME COURT COMMITTEE STARTS PROCEEDINGS

The Hon'ble Supreme Court of India in Writ Petition (Civil) No. 995 of 2019 ("Order") wherein the Hon'ble Supreme Court of India in exercise of the powers under Article 142 of the Constitution of India with the objective of attaining a holistic solution for speedy recovery of the outstanding amounts to be distributed to the traders has constituted a High Powered Supreme Court Committee (SCC) under Article 142 of the Constitution of India with the objective of attaining a holistic solution for speedy recovery of the outstanding amounts to be distributed to the traders has initiated its proceedings by meeting various stakeholders in Mumbai. The SCC is chaired by Hon'ble Justice Pradeep Nandrajog, retired Chief Justice of the Bombay High Court. Vide order dated 4th May 2022 Hon'ble Supreme Court has transferred the proceedings for execution of all the decrees/orders/arbitral awards currently pending in various Courts across the country to the Supreme Court Committee, for speedy execution. NSEL has made applications in all the execution proceedings in the respective jurisdiction and the papers are getting handed over to SCC by the respective Courts.

NSEL RECEIVES POSITIVE RESPONSE FROM SMALL TRADING CLIENTS

NSEL has received positive response from various small trading clients in the 2 lakhs to 10 lakhs category who have received their money from the Competent Authority appointed by the State of Maharashtra. The trading clients have appreciated the recovery efforts of the Economic Offences Wing (EOW) of Mumbai police, the Competent Authority and also the new management of NSEL. The trading clients have also appreciated NSEL efforts in the formation of a high powered Supreme Court Committee to execute recovery from NSEL defaulters.

BEWARE: FEW BIG TRADERS OBSTRUCTING PATH TOWARDS NSEL CRISIS RESOLUTION

Default by the Defaulters at NSEL has caused much inconvenience to the genuine trading clients and especially to those in the Rs. 2 lakhs to Rs. 10 lakhs category. The Competent Authority has almost

NEWS

completed distribution of money to around 6224 trading clients in the above category. It was not an easy task to achieve this milestone as few big traders (NIAG) with vested interests created bottlenecks and purposefully fought to stop distribution of money to the trading clients in the Rs. 2 lakhs to Rs. 10 lakhs category before various judicial forums.

FYI, pls find the synopsis of the events where NIAG created impediments to stop distribution to the trading clients in the above category:

- **MPID Court:** Competent Authority filed application in MPID Court seeking direction for making payments to the trading clients in the Rs. 2 lakhs to Rs. 10 lakhs category. NIAG objected the application for graded distribution of money and asked for equal distribution of money to all the trading clients which the Court allowed vide order dated 23rd April 2019
- **Bombay High Court:** Competent Authority challenged the above order in Bombay High Court. Here too NIAG opposed the application for distribution of money to the trading clients in the Rs. 2 lakhs to Rs. 10 lakhs category. After hearing, the Court vide order dated 8th March 2021 quashed the MPID order dated 23rd April 2019 and directed the Competent Authority to distribute money to the trading clients in the Rs. 2 lakhs to Rs. 10 lakhs category.

From the above sequence of events it can very well be understood that few big traders like NIAG have no concern and consideration for the small trading clients and have only tried to stop distribution of money to these small trading clients. The big traders have no sympathy for the small and needy trading clients. They have been using the small trading clients for achieving some hidden agenda. It is clear that few big traders made every endeavor to deprive the right of small traders by trying to stop distribution of money to 6445 small and needy investors before the Hon'ble MPID Court and Bombay High Court. It can also be seen that the agenda of these big traders is to derail every single attempt to settle the NSEL crisis. Unconfirmed sources also reveal that few big traders may be hands-on with the Defaulters and also the large Brokers and has allegedly taken kick-backs from them.

In spite of all the litigations and roadblocks faced by NSEL, we continue with our journey with full commitment and dedication towards making recovery from defaulters by following the course of law. NSEL has been extending wholehearted support to all the agencies and forums and making every effort to settle the NSEL crisis. NSEL earlier by taking loan from its parent company has already settled 608 trading clients upto Rs. 2 lakhs in entirety and those between Rs.2 lakh to Rs. 10 lakhs by upto 50%. Now that the balance 50% has been disbursed by the Competent Authority, around 6800 trading clients upto Rs. 10 lakhs have been settled.

It is an appeal to the all the trading clients of NSEL, not to fall prey to the hidden agenda of a few big traders, who have taken NSEL as an opportunity to mint money by backstabbing all the small trading clients.

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

NATIONAL SPOT EXCHANGE LIMITED

Malkani Chambers, 1st Floor, Off. Nehru Road, Near Hotel Orchid, Ville Parle (E), Mumbai- 400 099
Tel: +91-22-022-6761 9900 | contact@nationalspotexchange.com