

# NSEL NEWS



## **Dear Esteemed Stakeholders and Readers,**

Welcome to the issue of our October 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

### HIGH-POWERED SUPREME COURT COMMITTEE CONTINUES PROCEEDINGS AGAINST DEFAULTERS

The High Powered Supreme Court Committee is continuing with its proceedings for execution of the decrees/orders/arbitral awards obtained by NSEL against the defaulters. NSEL has filed garnishee applications against the beneficiaries of the defaulters to whom money trail has been established by the agencies. The beneficiaries of the defaulters have started appearing before the SCC. Wherever defaulters and related parties/beneficiaries are not appearing before SCC in spite of notices and publication in newspaper, SCC is proceeding ex parte and attaching the properties for sale proclamation and further action for recovery. Few of the defaulters against whose beneficiaries garnishee applications have been filed by NSEL are Mohan India Group, Ark Imports Pvt Ltd, P D Agroprocessors Pvt Ltd, Yathuri Associates, Lotus Refineries Pvt Ltd, Aastha Minmet Group etc.

### MPID COURT ALLOWS DISTRIBUTION TO INDIVIDUAL CLIENTS IN THE RS 10 LAKHS TO RS 20 LAKHS CATEGORY

Two trading client's had approached the Learned Special MPID Court, Mumbai seeking direction to the Competent Authority for distribution of money to the individual trading clients having dues above Rs 10 lakhs up to Rs 20 lakhs. Traders' association NIAG opposed the application. MPID Court on 13th October 2022 was pleased to pass order directing the Competent Authority to make graded distribution to individual clients who have outstanding amount between Rs 10 lakhs to Rs 20 lakhs from the amount available with the Competent Authority. It is pertinent to note that the trader's association NIAG had earlier opposed the distribution of money to the trading clients in the Rs 2 lakhs to Rs 10 lakhs category.

### COURT ISSUES NON BAILABLE WARRANT AGAINST ARUN KUMAR SHARMA IN SECTION 138 MATTER

NSEL has filed three complaints in 33rd Ballard Pier Court, Mumbai under Section 138 of N.I. Act against defaulter Lotus Refineries Pvt Ltd and its Directors in cheque bouncing matter for Rs. 252.56 Crs. The matter was listed for hearing on 1st October 2022 wherein NSEL filed application for issuance of Non Bailable Warrant (NBW) against Mr. Arun Kumar Sharma (Director of Lotus). Arun Kumar Sharma filed application for cancellation of NBW and also prayed for adjournment on ground of Writ Petitions pending before Hon'ble Bombay High Court. NSEL opposed this submission as Arun Kumar Sharma never appeared before the Ld. Court. NSEL also highlighted the earlier Orders passed by the Ld. Court. Earlier NBW was only cancelled on ground and statement/undertaking given by Adv. of Lotus Refineries that they will proceed with cross on 01.10.22. However they failed to comply said order. After hearing NSEL's submissions, the Ld. Court was pleased to reject application for cancellation of NBW and send Arun Kumar Sharma to MCR. Further, fresh Bail Application was sought by Arun Kumar Sharma, which was later allowed on Rs. 15,000/- on PR and SB Bond.

### HON'BLE BOMBAY HIGH COURT REJECTS INTERIM APPLICATION FILED BY DEFAULTER LOTUS REFINERIES PVT LTD FOR STAY ON EXECUTION

Lotus Refineries Pvt Ltd had filed interim application in Bombay High Court praying for stay of the execution petition. NSEL appeared in the matter and raised objections in the application. BHC dismissed the Interim Application filed by Lotus Refineries and did not grant any stay as prayed by the defaulter.

### COMPETENT AUTHORITY FILES APPLICATION IN MPID COURT FOR MAKING ABSOLUTE THE ATTACHED PROPERTIES OF DEFAULTER LOIL GROUP

Vide gazette notification dated 18th April 2022, State of Maharashtra has attached assets of LOIL Group. The Competent Authority has filed application in MPID Court for making the attached assets absolute. Competent Authority can auction the assets once MPID Court allows the application and makes the attachment absolute. So far ten gazette notifications have been issued by Government of Maharashtra for attaching various movable and immovable properties of the NSEL defaulters.

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Press Release

### **Hon'ble MPID court rules to pay small traders up to Rs 20 lakh on priority, excludes corporate traders**

**Small traders *once again* got justice against broker-driven so-called investor associations**

**Mumbai, October 15, 2022:** In a big win for small traders, the Hon'ble MPID court on Thursday directed the Competent Authority (CA) to make graded distribution "**only**" to about 2040 individual traders who have outstanding amount between Rs 10 lakh to Rs 20 lakh. The Hon'ble MPID Court in line with the objects of MPID Act have excluded corporate & partnership from getting preferential payment.

**Now by this order, out of total unverified 12735 traders, 9193 traders i.e. 72% will be paid fully.**

While NSEL, which has been fighting for the cause of genuine traders, supported this petition, the bitter truth is that it was vehemently opposed by NIAG of Ketan Shah and argued by Counsel Chirag Shah of NAARA.

Earlier, NIAG had opposed and lost in Hon'ble Supreme Court when it tried to sabotage the balance 50% disbursement to 6400 traders falling between Rs. 2 lakhs up to Rs. 10 lakhs. Back in 2013, to give immediate relief to small traders, NSEL had paid 50% to the same 6,400 traders and 100% to 708 traders having outstanding below Rs. 2 lakhs.

Ketan Shah and Chirag Shah, who have been masquerading as messiahs, rank among 781 crorepatris with unverified claims of over Rs. 1 crore, and have actually been fighting against the release of this available money to small traders. The only reason for opposing such payments could be that this would greatly undercut their power as champions of small traders.

Instead of fighting for the recovery of default amount from the defaulters, Chirag Shah and Ketan Shah have been fighting in favour of brokers and

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opposing payments to small traders. This order has unmasked their real face to people.

Here one must also note that all traders have signed client-broker agreement with their brokers and are registered clients of the brokers. No trader has privity with NSEL. The brokers had lured their clients with forward contract of 1-day duration and by offering 80:20 and then 90:10 schemes. Brokers have indulged in irregularities such as largescale Client Code Modification, false promises, KYC manipulation and infusion of black money through benami transactions. Except for three brokers, even the Economic Offences Wing (EOW) has neither acted against, nor filed chargesheet on brokers.

Despite the fact, no action was taken by FMC chairman Ramesh Abhishek on brokers and defaulters. Ramesh Abhishek only focused his targeted actions on NSEL and 63 moons, thereby allowing the defaulters and brokers to go scot-free.

The NSEL crisis which was triggered by the abrupt halting of a running exchange by Ramesh Abhishek, the then FMC chairman on the instruction of then Finance Minister, P Chidambaram, through his close aide and then Additional Secretary of Commodities and Capital Markets, KP Krishnan. In a Rs. 10,000 crore damage suit filed by 63 moons against the three individually, the Hon. Mumbai High Court has already issued notice.

All investigating agencies have confirmed the liability of the defaulters with the money trail up to the last paise traced to the defaulters.

### **No money trail is established to NSEL, its Directors or Promoters.**

Despite continued attacks, NSEL is singlehandedly fighting for recovery against the defaulters so that the genuine traders can be repaid at the earliest.

NSEL has singlehandedly extended support to investigation agencies and gone after defaulters, obtained decree and awards worth Rs. 4,300 crores. Against the unverified claims of Rs. 4,800 crores, NSEL has actively worked and supported in getting over Rs. 6,000 crores worth of defaulters' assets

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already attached by EOW and ED, which is sufficient to cover genuine claims of the balance traders.

It is our humble request that the EOW, instead of supporting NIAG and NAARA in their petition for opposing reliefs to small traders, should support genuine mission of recovery by NSEL. It is time for authorities to investigate and unmask the real face of such vested interests, blackmailer associations who trade the pain for personal gains.

NSEL has full faith in our country's judicial system that truth will get established.

With this order of Hon'ble MPID Court, **Justice and Truth has prevailed again.**

**Satyameva Jayate**

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

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

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