

# NSEL NEWS



## CONTENTS

Page - 02-03

**INFOCUS  
RECOVERY UPDATE**

Page - 04

**SNAPSHOT-  
RECOVERY**

Page - 05

**SNAPSHOT-  
LITIGATIONS**

Page - 06

**DEFAULTERS WHO  
HAVE TO RETURN  
MONEY**

Page - 07

**MESSAGE BOARD**

## From the CEO's Desk

**Dear Esteemed Stakeholders and Readers,**

Welcome to the first issue of our newsletter - NSEL NEWS. This newsletter is a message board to keep you posted on the efforts and progress being made by team NSEL on the recovery and litigation against defaulters.

It will also enable all of us to stay together on all major developments of NSEL.

As you read this message you will be aware that there has been a very good start already. NSEL has sought to liquidate the assets of the defaulters and deposit the proceeds in the Escrow Account to be operated under the instructions of the Hon'ble High Court Committee.

NSEL has already secured recoveries amounting to Rs. 1233.02 Crore by way of decree on admission and through injunctions from a total of 18 defaulters with outstanding of Rs. 4515.93 Crore. With this, we have moved another step in a right direction, and look forward to similar decrees against other defaulters. NSEL has been relentlessly working at recovering the amounts due from these defaulters. We are sure that these facts will be appreciated by the larger majority of trading clients and other stakeholders.

As these facts and progress is being distorted by some, we thought it necessary to reach this important information to all concerned.

We urge all of you to join the sustained battle against the defaulters who are the real culprits. With your cooperation, NSEL will be able to formulate a holistic strategy and plan to effect speedy recovery from the defaulters. We urge the victims not to allow themselves to be used by the unholy designs and vested interests who are running a covert agenda of demolishing NSEL and its majority shareholders.

NSEL NEWS is a platform for all of us to stay connected with regular updates and for a joint action against defaulters for recovery.

We would be eager to have your feedback and suggestions about the newsletter. **Do write to us on [nselnews@nationalspotexchange.com](mailto:nselnews@nationalspotexchange.com)**

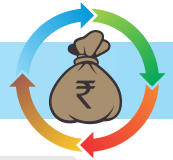
Best Regards

**Prakash Chaturvedi**

Chief Executive Officer  
National Spot Exchange Ltd. (NSEL)

## INFOCUS

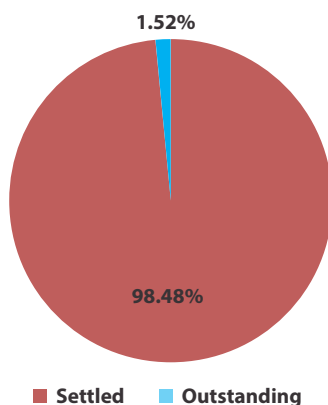
## RECOVERY UPDATE



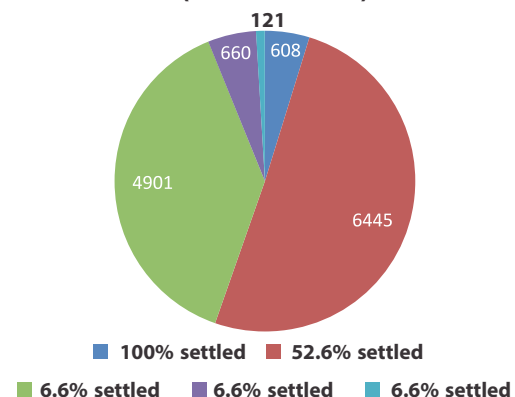
### The NSEL Recovery Update:

- The MPID Court has directed the sale of assets of Mohan India Group namely Delhi Civil Lines and Bikaner Land.
- NSEL has already secured recoveries amounting to Rs. 1233.02 Crore by way of decree on admission against 5 defaulters and through injunctions from a total of 18 defaulters with outstanding of Rs. 4515.93 Crore.
- The Economic Offences Wing (EOW), Mumbai Police has attached assets worth around Rs. 5000 Crore of defaulting trading members.
- The Enforcement Directorate (ED) has attached assets worth around Rs. 800 Crore of the defaulting trading members.
- It is pertinent to note that out of 24 defaulting trading members 2 trading members with original outstanding of Rs. 195.75 Crore have almost cleared their dues.
- NSEL has disbursed amount of Rs. 542.99 Crore to trading brokers, to be paid to the smaller trading clients which includes a without prejudice loan from Financial Technologies India Limited (FTIL).
- NSEL has settled the e-Series contracts outstanding upto 98.48 % by disbursing Rs. 298.52 Crore to the approx. 40000 e-Series unit holders directly to their bank accounts.
- NSEL has additionally recovered Rs 16.11 Crore as available in its escrow account for distribution after order from High Court Committee (HCC).
- Competent Authority (CA) has completed sale of TMT and Paddy and Rs. 0.96 Crore has been realized from the sale proceeds.
- MPID Court has ordered to transfer an amount of Rs. 1 Crore (pertaining to Namdhari Foods International Pvt. Ltd.) in its account to Competent Authority account.
- The above Rs. 1.96 Crore with the CA is over and above Rs. 16.11 Crore available in NSEL escrow account. So total amount for distribution is Rs. 18.07 Crore and would be disbursed after relevant orders.
- NSEL has issued public notice of Ramesh Nagpal – Shree Radhey Trading Company.

**NSEL e-Series Settlement Status**



**NSEL Trader's contract Settlement Status (No. of Clients)**



The readers may note that in addition to the recovery amounts shown above, there have been dealings made by some trading clients directly with some of their known defaulters by way of agreements not disclosed to any of the regulators or to the exchange or to the HCC. Some of the recipients of the recovery amount are directly related to the leading luminaries championing the cause of trading clients.

## INFOCUS

## RECOVERY UPDATE



### Update on HCC formation and proceedings against defaulters-

The Hon'ble High Court, Bombay in Civil Suit No 173 of 2014 has constituted a three Member Committee (HCC) under the chairmanship of Mr. Justice V.C. Daga (Retd.) [Chairman], Mr. J.S. Solomon, Solicitor and Mr. Yogesh Thar, Partner of M/s. Bansi S. Mehta & Co. Chartered Accountants with a dual function to perform. In the first place, it is supposed to conduct itself as a commissioner for investigation and examination of accounts and render assistance to the Court in facilitating mutual settlements between the parties. Once these settlements have been arrived at and assets are collected in pursuance of these settlements, the Committee in effect acts as receiver appointed by the Court in the matter of preservation, custody and management of the assets so collected.

Certain defaulting trading members have come forward before the HCC to sell their commodities lying in warehouses and assets. Accordingly, the HCC has directed the auction of the commodities lying in warehouses and assets of defaulters as follows:

#### Assets / Materials of the defaulters to be auctioned as directed by the HCC:

Defaulting Trading Member	Material/Asset for Auction as directed by the HCC
ARK Imports Pvt. Ltd.	Raw Wool & Dust Raw Wool
Shree Radhey Trading Company	Red Chilly & Black Pepper
Aastha Group	<ul style="list-style-type: none"> <li>• 44 acres of land at Cuttack</li> <li>• 3 acres of land at Medchal, AP</li> <li>• TMT steel (262.91 MT)*</li> </ul>
Metkore Alloys & Industries Limited	Ferrochrome
Namdhari Foods International Ltd.	Paddy (633 MT)*

\* auction process completed, auctioning of rest are in process.

#### Defaulters arrested in the last 3 months:

Person arrested	Defaulter's name	Bail Condition
Rajiv Todi	Swastik Overseas Corporation	NIL
Sampath Rao	MSR Food Processing	Rs.10 Lakhs
Nimish Patel	N K Proteins	Rs.10 Crore
Kamal Dewan	White Water Foods	NIL

**NSEL**  
is single-handedly  
opposing all the bails of  
the defaulters and  
relentlessly trying to put  
pressure on them for  
speedy recovery.

## SNAPSHOT-RECOVERY

Amount in Rs. Crore

Sr. No.	Group	Name of defaulter	Original Outstanding	Amt Recovered & Disbursed	Amt Recovered in Escrow Account / CA	Amt Outstanding	Assets Attached / Secured by EOW	Assets Attached by ED	Arrests made by EOW
1		ARK IMPORTS PVT LTD	719.42	0.06	0.17	719.20	638.79		✓
2	Dunar Foods Limited Group	P D AGROPROCESSORS PVT LTD	687.30	13.21	0.16	673.93	1,187.77	54.76	✓
3	Naraingarh Sugar Group	YATHURI ASSOCIATES	424.64	19.04	6.00	399.60	418.56	95.11	✓
4	Aastha Group	JUGGERNAUT PROJECTS LTD.	220.20	1.00	0.00	219.20	167.73	48.89	✓
		AASTHA MINMET INDIA PVT LTD	26.47	3.52	0.49**	22.06			
5		METKORE ALLOYS & INDUSTRIES LTD.	114.28	19.20	0.25	94.83	102.44	-	✓
6		SWASTIK OVERSEAS CORPORATION	102.98	9.84	2.34	90.80	41.31	1.67	✓
7		WHITE WATER FOODS PVT LTD	86.12	1.30	0.00	84.82	163.00	42.46	✓
8	Namdhari Group	NAMDHARI FOOD INTERNATIONAL PVT LTD	53.07	2.05	1.48**	49.54	23.00	23.65	✓
		NAMDHARI RICE & GENERAL MILLS	10.75	0.36	0.00	10.39		-	
9		SHREE RADHEY TRADING CO	35.34	0.75	0.11	34.48	30.50	-	×
10		VIMLADEVI AGROTECH LIMITED	14.02	0.08	0.00	13.94	21.81	-	✓
11		MSR FOOD PROCESSING	10.05	1.23	0.00	8.82	8.00	-	✓
12	N.K. Industries Group	N K PROTEINS LTD	969.89	31.59	3.85	934.45	771.95	313.82	✓
13	Mohan India Group	MOHAN INDIA PVT LTD	600.08	54.70	0.00	545.38	602.32	183.30	×
		TAVISHI ENTERPRISES PVT. LTD.	333.01	0.00	0.00	333.01			
14	Lakshmi Energy & Foods Group	LOIL CONTINENTAL FOOD LTD	356.21	8.50	0.00	347.71		-	×
		LOIL HEALTH FOODS LTD	294.48	7.00	0.00	287.48		-	
		LOIL OVERSEAS FOODS LTD	86.19	1.08	0.00	85.11	746.63	-	
15		LOTUS REFINERIES PVT LTD	252.56	0.08	0.00	252.48	115.62	17.99	✓
16		NCS SUGARS LIMITED	58.85	6.65	1.30	51.00	168.75	-	✓
17		SPIN COT TEXTILES PVT LTD	38.26	0.00	1.63	36.63	89.01	83.72	✓
		<b>Total</b>	<b>5494.17</b>	<b>363.72*</b>	<b>17.78</b>	<b>5294.86</b>	<b>5297.19</b>	<b>865.37</b>	

\*This includes, Rs. 182.48 Crore which was received as settlement amount from two members who cleared their liability. In addition, Rs. 179.27 Crore was paid by NSEL to its members towards remittances to the smaller Trading Clients by taking a without prejudice loan from FTIL.

\*\*The amount is with Competent Authority (CA).

Note: In addition to Rs. 17.78 Crore, there is an additional amount of Rs. 10.10 Crore lying at MPID Court. Therefore the total amount available for disbursement to trading clients is Rs.27.88 Crore.

## SNAPSHOT-LITIGATIONS

Amount in Rs. Crore

Sr. No.	Group	Name of defaulter	138	MPID	HCC	BHC	Outside Bombay	Remark	Injunction obtained	Decree Obtained
1		ARK IMPORTS PVT LTD	✓	✓	✓	✓	×	Given the consent before MPID to sell the properties which were mentioned in MA	719.42	719.4
2	Dunar Foods Ltd. Group	P D AGROPROCESSORS PVT LTD	✓	✓	✓	✓	✓	MA filed to direct the CA to initiate the auction sale procedure	680.23	-
3	Naraingarh Sugar Group	YATHURI ASSOCIATES	✓	✓	✓	✓	✓	MA filed to direct the CA to initiate the auction sale procedure	405.6	265.0
4	Aastha Group	JUGGERNAUT PROJECTS LTD.	✓	✓	✓	✓	×	Given consent to sell their property before HCC	219.2	145.0
		AASTHA MINMET INDIA PVT LTD	×	✓	✓	✓	×	Given consent to sale their property before HCC	23	12.5
5		METKORE ALLOYS & INDUSTRIES LTD.	✓	✓	✓	✓	✓	MA filed to direct the CA to initiate the auction sale procedure	94.83	-
6		SWASTIK OVERSEAS CORPORATION	✓	✓	✓	✓	✓	Given consent to sell 6 properties before MPID	93.44	91.2
7		WHITE WATER FOODS PVT LTD	✓	✓	✓	✓	✓	MA filed to direct the CA to initiate the auction sale procedure	86.12	-
8	Namdhari Group	NAMDHARI FOOD INTERNATIONAL PVT LTD	×	✓	✓	✓	×	MA filed to direct the CA to initiate the auction sale procedure	53.07	-
		NAMDHARI RICE & GENERAL MILLS	×	✓	✓	✓	×	MA filed to direct the CA to initiate the auction sale procedure	10.75	-
9		SHREE RADHEY TRADING CO	✓	✓	✓	✓	✓	MA filed to direct the CA to initiate the auction sale procedure	34.59	-
10		VIMLADEVI AGROTECH LIMITED	✓	✓	✓	✓	✓	MA filed to direct the CA to initiate the auction sale procedure	14.02	-
11		MSR FOOD PROCESSING	✓	✓	✓	✓	✓	Given consent to sale 1 property before MPID10 cr deposited to CA by Sampat Rao as per bail order	8.82	-
12	N.K. Industries Group	N K PROTEINS LTD	✓	✓	×	✓	✓	10 cr deposited to CA by Nilesh Patel as per bail order	937.89	-
13	Mohan India Group	MOHAN INDIA PVT LTD	✓	✓	×	✓	✓	Given consent to sale 2 properties before MPIDMA filed to direct the CA to initiate the auction sale procedure	1,037.84	-
		TAVISHI ENTERPRISES PVT. LTD.	×	✓	×	✓	✓	MA filed to direct the CA to initiate the auction sale procedure		-
14	Lakshmi Energy & Foods Group	LOIL CONTINENTAL FOOD LTD	×	✓	✓	✓	✓	MA filed to direct the CA to initiate the auction sale procedure		-
		LOIL HEALTH FOODS LTD	×	✓	✓	✓	✓	MA filed to direct the CA to initiate the auction sale procedure		-
		LOIL OVERSEAS FOODS LTD	×	✓	✓	✓	✓	MA filed to direct the CA to initiate the auction sale procedure		-
15		LOTUS REFINERIES PVT LTD	✓	✓	×	×	×	Arbitration proceeding is initiated		-
16		NCS SUGARS LIMITED	✓	✓	×	×	✓	Arbitration proceeding is initiated. Given consent to sale 5 properties before MPID	58.85	-
17		SPIN COT TEXTILES PVT LTD	×	✓	×	×	×	Arbitration proceeding is initiated	38.26	-
		<b>Total</b>							<b>4515.93</b>	<b>1233.02</b>

## DEFAULTERS WHO HAVE TO RETURN MONEY



### N. K. PROTEINS LTD. - DEFAULTER NO.1



**Nimish K. Patel**  
Chairman



**Nilesh K. Patel**  
Managing Director

#### OVERVIEW

N. K. Proteins is primarily into crushing of Castor Seeds and export of Castor Oil under the banner of M/s. N.K. Industries Ltd. and also into business of Refined Edible Oils under the brand name of Tirupati. While the castor seed manufacturing plant is located at Kadi, the refined edible oil unit is at Thor, Gujarat.

**N. K. Proteins is the defaulter with highest obligation.**

**Original Outstanding:**  
**Rs. 969.89 Crore**

**Received till 14/12/15:**  
**Rs. 35.44 Crore**

**Balance Receivable:**  
**Rs.934.45 Crore**

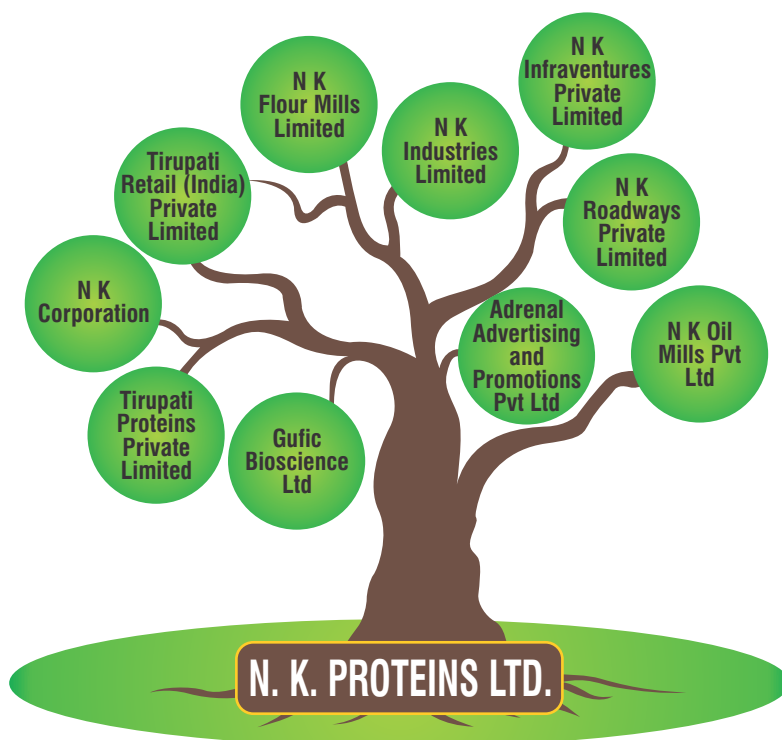
### DETAILS OF LITIGATIONS AGAINST N.K. PROTEINS LTD.

**Bombay High Court (BHC):** On 16th February 2015, NSEL had filed Suit 432 of 2015 against N. K. Proteins and Others to jointly and/ or severally pay to the Plaintiff a sum of Rs. 9,378,926,103.94. In the said Suit, ad interim injunction was granted against N K Proteins by Justice Kathawalla on 2nd March 2015.

NSEL had filed Notice of Motion 1488 of 2015 for extending the 2nd Sept 2014 order (formation of High Court Committee) to N K Proteins. The said matter will come up for hearing on 18th December 2015.

**MPID:** On 28th November 2015, NSEL had filed miscellaneous application to direct the CA to initiate the auction sale procedure against N K proteins. The said matter will come up for hearing on 12th January 2016.

Further, NSEL had filed 138 matters against N. K. Proteins, details of the same is as under:



Board of Directors of N. K. Proteins LTD.

Nilesh Keshavlal Patel

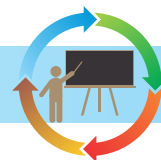
Nimishbhai Keshavlal Patel

Kamlesh Lalbhai Patel

Defaulter / Party	Forum	Amount of cheque bounced	Case no.	Next hearing date
N.K. Proteins Ltd.	District, Court, Ahmadabad	9,032,506,159	Criminal Case	18.12.2015
N.K. Proteins Ltd.	48th MM Court Andheri	483,600,000	No.2097/14 2979/SS/2013	04.02.2016



## MESSAGE BOARD



## NSEL Trading Clients **Beware!!!**

NSEL requests you to be beware of the some of the miscreants who have entered into backdoor arrangements with defaulters to settle their own amounts, which had to be deposited in the escrow account for distribution to all. This action was a violation of the High Court order stating all settlements should be under the supervision of erstwhile FMC.

If you are aware of any such trading clients who have entered into similar malicious deals with the defaulters or planning the same, please bring it to our notice at email:  
**recoveryteam@nationalspotexchange.com**

You are also requested to send your email Ids with contact number along with your Client code, Member Id for receiving regular updates on Recovery at email:  
**info@nationalspotexchange.com**

Suggestions / feedback on the NSEL recovery efforts to be mailed to us at email:  
**recoveryteam@nationalspotexchange.com**

### Disclaimer:

The purpose of this newsletter is to provide current status to all stakeholders. The contents of the newsletter do not necessarily reflect the views or policies of NSEL and therefore, NSEL is not responsible for and specifically disclaims any liability arising out of damages of any kind arising out of the use or reliance on this information. Links or reference to other websites if any does not constitute endorsement of the material on those sites or any association with the same.

If you have any information about  
**DEFAULTERS**

(Their whereabouts, New Business Ventures, Financial Dealings...)

**SHARE WITH US!**



*Write to us on*

**recoveryteam@nationalspotexchange.com**



---

**National Spot Exchange Limited**

Regd. Off.: FT Tower, CTS No. 256 & 257, 4th Floor, Suren Road, Chakala, Andheri (East), Mumbai - 400 093.  
Tel: +91-22-6761 9900 | Fax: +91-22-6761 9931 | [www.nationalspotexchange.com](http://www.nationalspotexchange.com)