

NAARA

NSEL Aggrieved and Recovery Association

Registered Office Address : Room No. 9, 1st Floor, Khatau Building, 8 / 10, Mody Marg, Fort,
Mumbai - 400 001. E – Mail ID – nselrg@gmail.com

[Registered under Bombay Public Trusts Act, 1950, bearing Registration No. E30842(M)]

Date : 23 – 06 - 2017

Request to EOW, Mumbai to expedite Investigations, finalizing the Charge sheet and simultaneously liquidate the attached assets in the interest of aggrieved investors.

1. Forensic Audit

(a) It is our understanding that the audit of books and records of FTIL, NSEL & IBMA alongside the records of the promoters, directors and key management personnel is still not concluded, as the accused and others suspected to be involved in the conspiracy have not been cooperating or delaying submissions inordinately.

(b) It is also our understanding that the above situation prevails in case of the Defaulters also, some of whom have are known to have extremely close links with the accused promoters/directors of NSEL viz. NK Proteins, Mohan India etc.

2. The Defaulters

(a) Decisive and firm action against the defaulters violating their bail conditions, including their not honouring the assurances provided during either their anticipatory bail or bail hearing. Most of them seem to be complacent that the wheels of justice, if at all they grind, will grind very slowly. The provisions of the special act such as MPID needs to be utilized in its utmost seriousness to shatter this myth and induce some behavior changes in some of the errant defaulters and other accused.

(b) EOW, Mumbai has been party to the proceedings at Hon. High Court Committee (HCC) also, alongside the Competent Authority under MPID.

Given that in nearly three years of the functioning of HCC and 4 years of EOW investigation, if the accounts / books of Defaulters are still not reconciled with books of NSEL, it reiterates the connivance between NSEL and Defaulters in delaying the proceedings. EOW should impress upon the HCC to take these facts on record and make an appropriate report to the Hon. BOMBAY HIGH COURT.

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(c) EOW, Mumbai should request the State Home Department and Law & Justice Department, if not already done, to be provided with one more SPP only for NSEL MPID matters. The matters in Hon. High Court would need the services of a Senior Advocate, preferably the Advocate General himself or a special counsel such as Mr. Darius Khambata who has been appointed as a Special Counsel by the Union of India for the merger matter, who is fully briefed on the matter. The request for special Court only to hear and dispose NSEL matters has been long pending.

3. Valuation of Assets

(a) HDFC Realty needs to be given a timeline within which they must complete the exercise.

(b) EOW, Mumbai is expected to provide copies of all property papers of all such assets attached, failing which HDFC Realty may find it difficult to complete the exercise in any specified time period.

It may be noted that NAARA has written to your office earlier as well as to the Ministry that, the valuation of attached assets as stated by EOW in the public domain, is grossly wrong / inflated as EOW has taken those values from the books of the Defaulters. And one case in point is ARK Imports whose attached asset value vs. actual value has had difference of more than Rs. 500 Crores (actual value being far too less).

4. Liquidation of Assets

We have learnt that the office of the Competent Authority has been strengthened with 2 more officers, a professional valuation agency has been appointed, EOW should push for liquidation of the most liquid / saleable assets.

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5. Scrutiny of the monthly expenses of NSEL & FTIL

We have reasons to believe that EOW, Mumbai has not scrutinized each line item of NSEL and FTIL expenses, wherein both entities have been indulging in inflating their expense and thereby in effect siphoning out money under various heads.

6. Digital Forensic Audit

The digital forensic audit has been a long pending demand of the aggrieved investors and we can only hope that EOW, Mumbai has provided a timeline to Mahindra SSG. At the same time we also we hope that EOW has given a detailed, well defined scope to the Digital Forensic Auditor.

For NSEL AGGRIEVED & RECOVERY ASSOCIATION

TRUSTEE