

Deven Dwarkadas & Partners®

advocates & solicitors

OK

BY HAND DELIVERY

DD-DD/N012/035/15-16
27th April, 2015

The Investigation Officer
SIT, EOW, CB CID,
Unit V STF Compound,
Mumbai


PNB30hkr
27/04/15

आधीक वृद्धे वरकर
ड. व. वि. पुणे

Respected Sir,

Our clients through their trustee Mr. Madhu Desai have addressed a mail yesterday to you placing on record certain facts and averments. We reproduce herewith in quote the same on our stationary as and by of formal communication and by way of record.

Kindly acknowledge a copy.

"26th April 2015

To,
The Investigation Officer,
SIT, EOW, CB CID,
Unit V STF Compound,
Mumbai

**Re: Ongoing Investigations in the Fraud perpetrated by NSEL-FTIL
resulting in the Settlement Crisis at NSEL**

**Sub: Complaint against FTIL & NSEL for violating EOW and Court
Orders**

Kind Attn.: Mr. S L Kadam, ACP, Mr. Arvind Wadhankar, Sr. PI

Respected Sir,

It is to our understanding that your office had directed / issued notice(s) to FTIL and to NSEL, besides Court directives that either of them shall not deal with any of their assets / properties, nor utilise their designated Bank accounts for purposes other than authorised / identified (restricted) purposes by the Courts and EOW.

111-114, Vardhman Chambers, 17-G, Cawasji Patel Street, Fort, Mumbai - 400 001. India.

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We also are given to understand that NSEL and FTIL have to submit to your office, a monthly report, on all their expenses or utilisation of funds.

We hereby wish to bring to your notice, the specific instances that have been in public domain, of misutilisation of funds and gross violation of Orders.

1. NSEL had published a voluminous book, which they widely circulated to all Government agencies, Investigative agencies, Media houses etc.
 - (a) How and where did they get the Funds to have that published?
 - (b) Was due permission taken from your office or have they brought to your notice, any court order that permitted them to spend the money on the same?
2. NRG, an unauthorised and unregistered body, propagated through NSEL website, has been publishing advertisements. These advertisements, while they are by itself violative as not only are several sub-judice matters being selectively quoted (rather mis-quoted), they also have been making public several private party bilateral disputes which otherwise are confidential, in those advertisements.

Some of the advertisements, have been pushing the agenda of FTIL, parent of NSEL. These are in the mainstream English Financial dailies as well as regional newspapers. Much of these advertisements have been directed towards discrediting the Investors or misleading them or instigating them against brokers; with an intent to create broker-client disputes.

It has been brought to our knowledge that NSEL has opened a separate Bank Account in the name of NRG and through that Bank account, these expenses are being done.

NRG, being an unregistered and unauthorised body, we believe that it is clearly with malafide intent that NSEL and FTIL have been publishing advertisements under that banner.

- a) How and where did NRG get the Funds to have these published?
- b) Was permission taken to open any new bank accounts?
- c) Was due permission taken from your office or have they brought to your notice, any court order that permitted them to spend the money on the same?
- d) How is it being ensured that FTIL, through NSEL / NRG is not indulging in siphoning of funds?



It may be noted that few of the advertisements were in violation of the order by the Hon'ble High Court Committee (HCC) as NSEL deliberately misled the aggrieved investors in terms of data collation, which was never authorised by the HCC.

We hereby request your office for all the following actions:

- i. Call for the Board Minutes of Meeting of NSEL and FTIL from 31st March 2014 to 25th April 2015, for scrutiny.
- ii. Summon the Board of Directors of NSEL, MD, Jt.MD & the Legal Officer & Company Secretary of NSEL to record their statement on the authorisation of expenditure and source of funds for all expenditure.
- iii. Issue Notices to the Chairman, MD & CEO, CFO, Finance & Accounts Incharge and the Legal Officer & Company Secretary of FTIL to register their reply on all funding authorised by the Board of FTIL to NSEL or NRG, if any, in the period 31st March 2014 to 25th April 2015.
- iv. Record the statements or register their replies on violation of directives / orders of the court and EOW.
- v. Forensic Audit of every funds receipt and expenditure in the period 31st March to 25th April 2015.
- vi. Initiate strict actions against the Board and Senior Management of NSEL and FTIL and all functionaries of NRG for violations.
- vii. Issue strict directions for restraining NSEL and FTIL to freeze all advertisements, publications of any nature, with immediate effect.
- viii. Issue notice to the media / advertising / publishing agency through which the Voluminous Book was published and advertisements booked by NSEL / NRG, to investigate the relationships (past & present) of those entities with the FTIL group.

The copies of the Book (presumably already available at your office) and the advertisements can be asked to be submitted by NSEL / FTIL. If called for, our office can provide copies of the same.

We hope to have your office initiate all the necessary immediately with regard to this complaint of ours.



Deven Dwarkadas & Partners
advocates & solicitors

A physical / official copy of this complaint shall be delivered at your office tomorrow, for your records and acknowledgement.

Thanking you,

Yours sincerely,

For NSEL Aggrieved and Recovery Association (NAARA)

Authorised Signatory

www.nselrecovery.com"

Yours sincerely,

M/s. Deven Dwarkadas & Partners
Advocates for NAARA

