



Press Release

## **NSEL Case: Hon. Bombay HC orders payout to small claimants of Rs 2 lakh to Rs 10 lakh on priority basis**

- **NSEL has supported the petition right from its filing in the MPID court**
- **Ketan Shah of NIAG, the claimed messiah objects to distribution and obtains stay**

**Mumbai, March 8, 2021:**

The Honourable Bombay High Court (BHC) today ruled that the competent authority (CA) in National Spot Exchange Limited (NSEL) case must distribute on priority basis the amount lying in its escrow account to genuine claimants whose outstanding is in between Rs 2 lakh to Rs 10 lakh.

From day-one, NSEL has been in support of this distribution to small claimants. Accordingly, NSEL also paid Rs 180 crore, taking a loan from 63 moons, to small claimants (100% to claimants up to Rs 2 lakh and 50% to claimants upto Rs 10 lakh outstanding). However, so called trader forums such as NIAG, NAARA, NIF opposed and got the petition derailed. The CA, under the influence of Ketan Shah and other investor protection forums suppressed the government communication favoring payment to small traders, but got it distributed to all, including HNI claimants instead of seeking clarification from HC.

NSEL requested the CA to follow the due process of law and distribute the payout through High Court Committee (HCC) after verifying the the genuineness and authenticity as per bye-laws of exchange, which is the only rightful process for distribution.

Exchange bye-laws permits such mutual distribution from clearing house to small traders while NIAG or any other investor forum did not put any effort or file cases, only NSEL and 63 moons efforts have resulted in the recovery. As per the information available in social media, the personal income of Ketan Shah



has increased from Rs 16 lakh to Rs 16 crore after he started representing so-called investors association and started trading the pain of traders.

The double bench of Bombay High Court, headed by Justice SS Shinde and Justice Manish Pitale, while hearing the appeal by Pune-based NSEL claimant Rabibai Mohamad Ismail ordered that the amount lying in CA's escrow be distributed among NSEL claimants with outstanding between Rs 2 lakh and Rs 10 lakh, so that the small claimants are paid off all their dues.

However, Ketan Shah who heads NSEL Investors Action Group (NIAG) and used to masquerade as their messiah, opposed this order favoring small claimants and sought to challenge the same in the apex court. The honorable BHC kept the order in abeyance for two weeks, with no further extensions.

The stand taken by NIAG and Ketan Shah makes it quite obvious that NIAG in connivance with tainted brokers are going all out to derail the judiciary process, misleading and delaying the investigation and obstructing the distribution process.

"By challenging the BHC order favoring 6445 small claimants, out of the 13,000 so-called claimants, whose interest is Ketan Shah protecting?" questioned the NSEL spokesperson. He said, "Over Rs 250 crore is lying in the escrow account which, if distributed amongst the small claimants, would clear the outstanding of around 6445 claimants.

"Under the guise of helping small and suffering claimants, Ketan Shah and NIAG misguided the government and investigating agencies by trading their tears. Now Ketan Shah is taking an opposite stand and betraying them by opposing the BHC order," Spokesperson said.

NSEL, with the help of 63 moons has been continuously striving to recover the default amount from the 22 defaulting entities, which has resulted in obtaining the decree of Rs 3,365 crore and crystallization of liability by High Court Committee to the tune of over Rs 900 crores, which is pending confirmation by



the Honourable Bombay High Court, and an injunction of Rs 4,515 crore. This entire process has been due to single handed effort of NSEL and 63 moons.

The Government of Maharashtra, based on the suggestion received from Ministry of Finance, GoI, via a letter dated August 20, 2018, had instructed the CA and EOW, Mumbai, via a letter dated September 1, 2018, that payment may be made to small claimants with an outstanding amount between Rs 2 lakh and Rs 10 lakh.

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