

**BEFORE THE COMMITTEE CONSTITUTED UNDER THE
BOMBAY HIGH COURT ORDER DATED 2nd SEPTEMBER 2014
IN SUIT NO. 173 OF 2014 AND OTHER RELATED SUITS**

COMPRISING OF

**MR. JUSTICE V. C. DAGA (RETD.), CHAIRMAN,
MR. J. S. SOLOMON, ADVOCATE AND SOLICITOR, MEMBER
AND
MR. Y. A. THAR, CHARTERED ACCOUNTANT, MEMBER**

MODERN INDIA LIMITED & ORS

..PLAINTIFFS

VERSUS

FINANCIAL TECHNOLOGIES (INDIA) LTD.

AND OTHERS

..DEFENDANTS

APPEARANCES:

Mr.Ameet Naik with Mr.Chirag Kamdar, Ms.Anuja Jhunjhunwala, Mr.Harish Khedkar, Shree Priyta Khaitan, Chetan Sabde, Vishal Pokare, and Hemlata Marathe, i/b M/s. Naik Naik & Co., for NSEL.

Mr.Manmohan Anand for IBMA.

Mr. Bhushan Shah with Ms. Namrata Shah Advocates i/b Mansukhlal Hiralal and Co. for M/s. L. J. Tanna Shares and Securities Pvt. Ltd.

Mr.Ravi Warriar, Mr.Akshay Patil, Mr.Hiral Thakkar, and Mr.Ashwin Bhadang i/by M/s. Federal & Rashmikant, Advocate for Plaintiffs M/s. Modern India Ltd.

Mr.Prasad Satam, P.I. with Mr.P.S.Gaonkar from EOW.

Nidhji Shukla, Advocate with Raunak Shah and Chirag Shah for NAARA.

Mr.Rajesh Kamani, Investor.

Mr.Rahul Karnik, Advocate and Mr. Sachin Deshpande representative of M/s. Motilal Oswal Commodities Brokers Ltd.

Mr.Ajit Dalmia for NSEL Investors Action Group

ORDER
IN THE MATTER OF EXTENSION OF TIME
(Dated : 4th July, 2015.)

1. By public notice published in various newspapers, the Committee has called upon the Claimants to lodge their claim with the Committee. The last date for submitting such claim was fixed as 30th June, 2015.
2. The Committee is in receipt of various letters requesting for extension of time to submit claims. All these letters were placed before this Committee during the course of hearing by the Secretary (Legal) to seek appropriate orders thereon.
3. The stake holders were called upon to make their submissions in relation to extension of time.
4. Mr. Naik learned Counsel appearing for NSEL has strongly opposed extension of time contending that NSEL has received certain complaints; wherein some of the trading clients have been threatened by their respective brokers to set up false and/or manipulated claims to which they are not entitled to. He has brought some of the complaints to our notice. We went through those complaints. Mr. Naik further submits that extension would cause serious prejudice to the genuine trading members/trading clients, particularly, in the light of the complaints received and disclosed during the course of hearing.

5. Mr.Achal Agarwal, one of the Complainant, himself is present before the Committee. He sought to explain as to how his claim is sought to be manipulated by his trading broker.

6. Mr.Patil, Ld. Counsel appearing for some of the investors has submitted that reasonable extension needs to be granted and that the Committee should not shut out the genuine claims of the claimants merely because for some unforeseen reasons, they could not lodge their claim with the Committee.

7. The Committee, after having considered the rival contentions, makes it clear that till today 4500 (approximately) sealed envelops are received by the Committee. The possibility of some of the envelopes containing more than one claim cannot be ruled out. All those claims will have to be fed into the computer which itself will take 2 to 3 weeks.

8. It is no doubt true that possibility of some manipulation in the claim cannot be ruled out. However, the Committee before allowing any claim is bound to go into the genuineness of each claim, if necessary, by resorting to forensic auditing of the Books of Accounts of the Claimants. The Committee will take all precautions to see that all genuine claims are entertained for recommendation and fraudulent claims are not recommended to the Hon'ble High Court. But the genuine Claimant cannot be kept out of consideration merely because they could not refer their claim within time. The possibility

of genuine Claimants not putting up their claims may be for some unforeseen circumstances cannot be ruled out.

9. In the above circumstances, the Committee is of considered view that extension of time needs to be granted. In the result, the period to submit the claim is extended up to 31st July, 2015. The Committee makes it, specifically, clear that no further extension shall be granted. NSEL is directed to publish an advertisement, the draft of which is to be submitted to the Committee by the NSEL. Needless to mention that during this period, the NSEL is also directed to compile data from their account, in the same format and forward it to the Committee.



JUSTICE V.C. DAGA (RETD.)
CHAIRMAN



J.S. SOLOMON
ADVOCATE & SOLICITOR.



YOGESH THAR
CHARTERED ACCOUNTANT
MEMBERS