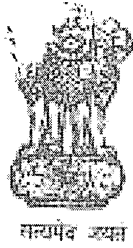


“The Advocate for Custodian replied to the letter dated 04.06.2011 seeking inspection of material relied by Custodian in Report 11 of 2011 and offered some explanation and inspection if so needed.”



Office of the Custodian
The Special Court (TORTS) Act, 1992
Banking Division, Department of Financial Services,
Ministry of Finance, Government of India,
10th Floor, Nariman Bhawan, 227, Vinay K. Shah Marg,
Nariman Point, Mumbai 400 021.
Phones: 22022251, 22856780, 22833007 Fax: 022-22810357
E-mail: cusbom@hotmail.com

No. 963 /CUS/BOM/MP-2/RASILA/2007(2247-III)

June 9, 2011

To,
Shri R. A. Shaikh,
Advocate, High Court,
402, Yusuf Building,
M. G. Road, Fort,
Mumbai 400 001

**Sub: Report dated 01/06/2011 for sale of assets of
Smt. Rasila S. Mehta & Smt. Rina S. Mehta
for the purpose of distribution**

Sir,

Kindly refer to your letter dated 4th June 2011 addressed to Shri A. K. Tewari, Advocate with a copy to the Custodian, New Delhi and this office on the subject cited above. In the said letter you have requested for inspection of the material relied upon by the Custodian to arrive at the assets liability position of Smt. Rasila S. Mehta & Smt. Rina S. Mehta and Late Shri Harshad S. Mehta and M/s. Harshad S. Mehta. In this connection, it is to state as follows:

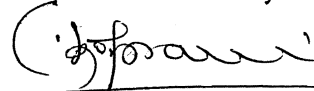
1. The Office of the Custodian has submitted the abovementioned Report of your clients showing asset liability position based on the information available in this office and as received from Income Tax, Banks, etc.
2. The Income Tax dues of Smt. Rasila S. Mehta & Smt. Rina S. Mehta have been received from the Income Tax Department vide their letter dated 11th February 2011. A copy of the same is enclosed herewith as **Annexure 'A'** for ready reference. Based on this information, priority demand of Rs.33.63 crores and Rs.280.43 crores is payable by Smt. Rasila S. Mehta & Smt. Rina S. Mehta.
3. The priority demand of Late Shri Harshad S. Mehta and M/s. Harshad S. Mehta has already been released by the Custodian on 16th March 2011, based on the orders of Hon'ble Special Court dated 25th February 2011 in Report No.9 of 2010. Hence priority demand of Income Tax against the said notified party has been reported as NIL. The Non-priority demand of Late Shri Harshad S. Mehta and M/s. Harshad S. Mehta is based on the letter received from Income Tax dated 11th February 2011. A copy of the same is enclosed herewith as **Annexure 'B'** for ready reference.

4. The details of Bank decrees of Late Shri Harshad S. Mehta were reported in detail in Report No.9 of 2010. A copy of the same is enclosed herewith as Annexure 'C' for ready reference. In this connection, you may also refer to letter of M/s. Pravin Mehta & Mithi, the-then Solicitors of Custodian dated 21st September 2010 addressed to you. A copy of the same is enclosed herewith alongwith Annexures as Annexure 'D' for ready reference.
5. In connection with assets shown in Exhibit 'C' of the Report dated 1st June 2011, it is to state as follows:
 - a. Immovable Assets: Rs.5.45 crores is reported as the value of immovable asset i.e., flat No.31 in Madhuli C.H.S., Worli of Smt. Rasila S. Mehta, based on the latest valuation available in this office. Regarding other immovable assets of Late Shri Harshad S. Mehta, please refer letter dated 21st September 2010 (annexed to this letter as Annexure 'D' at page No.2 & 3).
 - b. Share value has been shown in the Report as per the value of shares as on 31st March 2011. The requisite statements showing the number of shares and its market value as on 31st March 2011, which is prepared by the Custodian is enclosed herewith as Annexure 'E'.
 - c. It may be noted that your clients were informed of the position of their bank balances periodically by the Custodian's office. In case your clients find any discrepancy in the balances shown in the Report and the statements with them, they can communicate to the Custodian's office for correction / modification, if any. Regarding Investment in Fixed Deposits, all the details are provided to your client without fail by the Custodian's office. All care has been taken to correctly evaluate the balances in Fixed Deposits and Current Account to work out the total bank balance. Still in case your client have any specific issue regarding bank balance as stated in the Report dated 1st June 2011, then they may categorically state so that appropriate corrective measures, if any, may be taken.

In view of the above, it is stated that all the documents are available with your client, the others are enclosed as Annexures to the Report No.9 of 2010 (a copy of the same is enclosed to this letter) or Report dated 1st June 2011 and remaining details have been enclosed as Annexures to this letter.

However, if your clients still require inspection, they should intimate to this office which documents do they seek inspection of and provide a list of all such documents to be made available for inspection after seeking appointment in this office.

Yours faithfully,



(A. K. TOPRANI)
DIRECTOR

Encl.: As above