

“SBI addressed a letter to Custodian disclosing information relating to monies received by it and its appropriation towards the decrees obtained by it and provided the break-up of even Rs.592.49 Crores representing credit belatedly given by it to HSM after 8 years as per disclosure made in MA 36 of 2011.”

CRUCIAL LETTER OF SBI TO CUSTODIAN RETROSPECTIVELY GIVING CREDIT OF RS.592.49 CRORES TO HARSHAD MEHTA AFTER 8 YEARS

State Bank of India

Securities Services Branch, IInd Floor, Mumbai Main Branch Bldg.
Mumbai Samachar Marg, Mumbai 400 001.

Tel.:22665800/22661765/22611287/22658435 | Fax : 22611924/22861032 | Telegram “SEDSER, BRAN Mumbai Branch Code 9277

The Director

Date : 15th June 2011

Office of the Custodian,
The Special Court (Trial of Offences
Relating to Transactions in Securities) Act, 1992,
Banking division (Department of Economic Affairs),
Ministry of finance,
10th Floor, Nariman Bhavan,
227, Vinay K. Shah Marg,
Nariman Point, Mumbai 400 021.

Ref No.
SSB/B/S-LC/Recoveries/000967

Dear Sir,

CUSTODIAN REPORT No.9 OF 2010
(Distribution fo Harshad Mehta Group’s Assets)

DETAILS OF PAYMENTS RECEIVED BY THE BANK FROM THE CUSTODIAN PURSUANT TO SPECIAL / SUPREME COURT ORDERS

We refer to your letter no. 438/CUS/BOM/Report for distribution of HMG Report 9/10 2195 Vol-V dated 2nd May 2011 on the captioned subject and submit the details sought seriatim as under:

(a) The outstanding principal amount in M. P. No.63 of 1992 after adjusting the receipts prior to the interim Distribution was Rs.309,52,50,333.11. Pursuant to the Interim Distribution the decretal claim in M.P. No.63 of 1992 would reduce by the amount of Rs.49,87,12,475.90 and the outstanding principal decretal claim would be Rs.259,65,37,907.21.

(b) In respect of suit No. 41 of 1995, it may be noted that the suit was decreed for an amount of Rs.189,10,77,578.98, which comprised of the transaction claim amount of Rs.114,43,90,311.98 + interest thereon of Rs.74,66,87,267.00 till the date of filing of the suit. Hence, the principal decretal to be considered for the purposes of distribution under 11(2)(b) should be Rs.114,43,90,311.98 and not Rs.137,11,77,578.98. The aggregate receipts of Rs.52,09,10,530.00 by the Bank in M.A. No. 185 of 1993 could then be reduced, if it is considered as the principal amount in M.A. No.185 of 1993, from the principal claim amount of Rs.114,43,90,311.98 in Suit No. 41 of 1995. This would leave a balance principal claim of Rs.62,34,79,781.98 in Suit No. 41 of 1995. The receipts of Rs. 12,21,92,257.88 in M.A. No. 205 of 2003 in Suit No. 41 of 1995 would further reduce the outstanding principal claim in Suit No. 41 of 1995 to Rs.50,12,87,524.10. Considering the Interim Distribution of Rs. 100 crores by the Special Court, the principal amount of the decree in Suit No. 41 of 1995 stands fully satisfied. The remaining interim distribution amount of Rs.49,87,12,475.90 (Rs.100,00,00,000.00 –Rs.50,12,87,524.10) will be applied towards the outstanding principal decretal claim in M.P. No. 63 of 1992. We, therefore, request you to consider the above position for future disbursements.

(c) The amount of Rs.130,73,03,825.00 received in M. P. No. 88 of 1998 has been adjusted against the decree in M. P. No. 14 of 1995. Accordingly the outstanding principal decretal amount in M. P. No. 14 of 1995 stands at Rs.91,31,25,234.00 (Rs.222,04,29,059.00 – Rs.130,73,03,825.00).

(d) The outstanding principal decretal claims in the decrees held by the Bank as on date even assuming without admitting that the entire amount of Rs.592.49 crores received by the Bank plus the Interim Distribution of Rs.100.00 crores paid to the Bank is liable to be deducted from the decretal claims, there remains a balance amount of Rs.350.97 crores as under:

(i)	Suit No.41 of 1995 dated 3 rd March 2003	Rs.	0.00
(ii)	M.P. No. 63 of 1992 dated 22 nd April 2003	Rs.	259,65,37,907.21
(iii)	M.P. No. 14 of 1995 dated 14 th August 2003	<u>Rs.</u>	<u>91,31,25,234.00</u>
	Total (see enclosed Working Sheet)			Rs.350,96,63,141.21

2. To enable us to advise you the exact outstanding principal amount payable to our Bank in respect of the decrees held against HSM and also the interest on the outstanding decretal amounts, we request you to provide to us the break up / details of the amounts paid to us towards the principal face value of each security held to belong to our Bank and the accruals and accretions thereon since the principal face value of the securities only and not the accretions or interest can be offset against the principal amounts claimed by the Bank in the above-mentioned proceedings. It may be noted, we have been seeking the information from you for quite some time.

3. We trust the above information will enable you to update Annexure 'A' to the Report for the purposes of the further Interim Distribution envisaged in near future.

Yours faithfully,

Deputy General Manager

Encl: As above

Position of Outstanding Decretal Claims against Harshad S Mehta

Particulars	Suit No. 41 of 1995	M.P. No. 63 of 1992	M.P. No. 14 of 1995	Grand Total
Decretal Amount	1,891,077,578.98	7,069,773,179.68	2,220,429,059.00	11,181,279,817.66
Transaction Date 29.07.1991	33,775,000.00			
Transaction Date 02.09.1991	678,300,000.00			
Transaction Date 31.03.1992	187,500,000.00			
Transaction Date 06.04.1992	151,500,000.00			
Total Value of 7.5 Crore Units	1,051,075,000.00			
Transaction Date 06.04.1992	93,315,311.98			
Total Transaction Claim	1,144,390,311.98	7,069,773,179.68	2,220,429,059.00	10,434,592,550.66
Receipts in M.A. No. 185 of 1993	520,910,530.00			
Receipts in M.A. No. 205 of 2003	122,192,257.88			
Receipts in Suit 35(Packet Securities)		3,974,522,796.57		
Receipts in M.P. No. 88 of 1998			1,307,303,825.00	
Balance Transaction Claim	501,287,524.10	3,095,250,383.12	913,125,234.00	4,509,663,141.21
Interim Distribution	501,287,524.10	498,712,475.90	0.00	
Balance Claim Amount	0.00	2,596,537,907.21	913,125,234.00	3,509,663,141.21

Suit No. 41 of 1995	0.00
M.P. No. 63 of 1992	2,596,537,907.21
M.P. No. 14 of 1995	913,125,234.00
Total	3,509,663,141.21