

**IN THE SPECIAL COURT (TRIAL OF OFFENCES RELATING TO  
TRANSACTIONS IN SECURITIES) ACT, 1992  
CUSTODIAN REPORT NO. 3 OF 2021**

**REPORT IN COMPLIANCE OF SPECIAL COURT ORDER DATED 30TH JUNE,  
2020 IN SPMA-24-2020**

Mr. Gandhar Raikar a/w. Ms.Shilpa Bhate i/b. M/s.Leena Adhvaryu & Associates for the Custodian.

Dr. Milind Sathe, Senior Advocate a/w. Mr. Vipul Shukla for Respondent nos. 2 and 3.

**CORAM : A.K. MENON, J.  
Judge, Special Court  
DATE : 30<sup>th</sup> APRIL, 2021  
( Through Video Conference)**

**P.C. :**

1. On 23<sup>rd</sup> April, 2021 Mr. Raikar sought time to take instructions in respect of prayer clause (c) in view of the company having relied upon letter dated 26<sup>th</sup> April, 2000 at page 51 of the report at Exhibit-E(v). Mr. Raikar today states that the Custodian has verified that the RBI vault is not being used by the Custodian for storage of any shares and it is submitted that the shares may have been sent for dematerialisation to Stock Holding Corporation India Limited (“SHCIL”). He believes that shares may have been lost since

SHCIL has not been able to get the shares dematerialised. Mr. Raikar now confirms that the Custodian's office has instructed him that those shares have not been lodged for dematerialisation and are lost.

2. On behalf of the company Dr. Sathe submits that upon Custodian applying for 19993 duplicate shares such shares in physical form will be issued after completion of necessary formalities, in the relevant folios which are believed to be 37 in number. Thereafter duplicate shares in physical form can be surrendered for dematerialisation. The company will then transfer the shares to the appropriate accounts of the notified parties as desired by the Custodian.

3. As far as prayer clause (e) is concerned Mr. Raikar states that they relate to Annexure I and not Annexure II as incorrectly stated in the report. Annexure I at page 129 will reveal 1700 base shares which were to be issued to Hiten Prasan Dalal notified party and 750 base shares to be issued to Fairgrowth Financial Services Ltd. at item nos. 3 and 11. He states that notice will be given to these parties informing them that these shares were incorrectly transferred to the aforesaid notified parties instead of entities in the Mehta Group. Accordingly this issue will be considered on the next occasion.

4. Mr. Raikar further confirms that the subject matter of prayer clause (h) in this report are not attached assets as stated by Mr. Mehta on the last occasion. The Custodian states that these are shares which have not been claimed by any party. Mr. Raikar therefore states that these shares have to be surrendered to Investor Education Protection Fund (IEPF) in accordance with law. He therefore does not press prayer clause (h). Liberty is granted to the Custodian to proceed in accordance with law as far as these shares are concerned.

5. This leaves only prayer clause (c) and (d) in this report in respect of which Mr. Raikar seeks sometime.

6. List on 11<sup>th</sup> June, 2021.

**(A.K. MENON, J.)**