

**BY COURIER
WITHOUT PREJUDICE**

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September 28, 2015

To,
Mr. Ashwin Mehta
Law Commune,
Ground Floor, B-Wing, Barodawala Mansion
81, Dr. Annie Besant Road, Worli
Mumbai – 400 018.

Dear Sir,

Sub: Offer of settlement of outstanding dues to ANZ Bank

We represent the ANZ Grindlays Bank Limited (as acquired by Standard Chartered Bank) (“our Client”) and under its instructions and in response to your letter dated 27th August 2015, we state as under:

1. Our Client is thankful for your efforts in working on the proposal for settlement of the dispute before the Special Court. Our Client has been seriously considering the possibility for settlement of the dispute and has obtained advice from its counsel who has considered in detail, each step of the settlement and possible outcomes. The settlement proposal has been given careful and detailed attention by our Client and its advisers notwithstanding the fact that the settlement proposed involved our Client giving up of a substantial portion of its claim in the form of interest.
2. From our discussions on the proposal, you are aware that our Client’s willingness to consider a settlement has always been on the condition that it could take the principal of Rs 506 crores free of any undertaking to bring back the funds. It was therefore a crucial factor for our Client that if it were to agree to forego interest on its decree, such a settlement would need to be a final settlement, such that our Client is not at risk of having to bring back any part of the funds.
3. After detailed discussions held between our Client and its advisers, it seems unlikely that an order for final distribution can be made by the Special Court, or that the other creditors would be prepared to agree to such an order. For these and other reasons, after analysing your proposal very carefully, our Client has come to the conclusion that it does not provide a final framework that would allow our Client to

1st Floor, Sethna Building, 55, Maharshi Karve Road, Marine Lines, Mumbai 400 002 (INDIA)

Tel : (91-22) 2206 2132 / 92 / 2208 6371 Fax : (91-22) 2208 5620 Email : gdave@davegirish.com, mona@davegirish.com

www.davegirish.com

609, 6th Floor, “A” Wing, Mittal Tower, M. G. Road, Bangalore, 560 001
Tel : (080) 6631 0096 / 6631 0097 Email : mona_bgl@davegirish.com

meet these fundamental requirements for a settlement and therefore our Client is unable to move forward on the proposal in the form sent by you.

4. Our Client believes that the difficulties that are foreseen with the current proposal can be overcome, if the settlement of funds could be worked out such that no undertakings are necessary to be provided to Courts in India.
5. Last but not the least, a stumbling block which is foreseen by our Client is the settlement with NHB. Our Client is not confident that NHB would agree to forego a substantial claim for interest. If you have a contrary view, or if you have had any preliminary discussions on this issue with NHB or its counsels we would be interested to understand the basis for such a view.
6. However, since both parties have invested time and resources to arrive at some mutually acceptable resolution, our Client is still keen to try and find a win-win situation and is open to considering alternative settlement possibilities. Should our Client be in a position to put forward an alternative proposal, we will definitely be in contact with you.

Yours faithfully,

For **DAVE & GIRISH & CO.**

Advocates

