

"The Custodian filed MP 114 of 1995 before Hon'ble Special Court to seek the reliefs in regard to 95,000 unregistered shares of ACC disclosed by HSM under his letter dated 31.01.1995 such as registration of the same, direction on Custodian to recover the attached accruals paid over to erstwhile shareholders after 08.06.1992, to restrain the company from paying any benefits on these shares to erstwhile shareholders pending their registration. The Custodian made baseless allegations of delay of 2½ years on HSM in disclosure of the shares though there was no delay at all.



अभिरक्षक का कार्यालय
विशेष न्यायालय (प्रतिभूति संव्यवहार सम्बन्धी
अपराध विचारण) अधिनियम, 1992.
वैकिंग प्रभाग (आर्थिक कार्य विभाग)

चित्त मंत्रालय
10 वी मंजिल - नारिमन भवन,
227, विनाय कं. शाह मार्ग,
नारिमन पॉइन्ट, मुंबई - 400 021.

दूरभाष : 2202 2251 - 2285 6780 - 2283 3007
फैक्स : 022-2281 0357

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 Bhawan,
227, Vinay K. Shah Marg,
Nariman Point, Mumbai - 400 021.

Phone : 2202 2251 - 2285 6780 - 2283 3007
Fax : 022-2281 0357

M/s. Vyas & Vyas,
Chartered Accountants,
8, Kalpatru Building,
Dr. S.S. Rao Road,
Pagel, Mumbai 400 012.

Sub: **Appointment of Auditors for preparing the accounts and conducting audit thereof relating to Shri G.N.Hegde, a notified entity.**

Dear Sir,

Pursuant to the Order of the Hon'ble Special Court dated 3rd October 2003 on the Custodian's Report for appointing Chartered Accountants in respect of various notified entities, Custodian, The Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992, has been pleased to appoint M/s. Vyas & Vyas, Chartered Accountants for preparing and auditing the accounts of Shri G.N.Hegde, a notified entity under the Special Court (TORTS) Act, 1992 for the relevant period i.e. 1st April 1991 to 6th June 1992 as mentioned in the Special Court (TORTS) Act, 1992.

The Custodian has been further pleased to sanction fees at the average of the hourly rates as fixed by the Institute of Chartered Accountants as under subject to the maximum of Rs.4.5 lacs for each year accounts.

- | | |
|-----------------------------------|----------------|
| 1. Principal | : Rs.1500/3000 |
| 2. Qualified Assistant | : Rs.750/1500 |
| 3. Semi-qualified/other assistant | : Rs.250/500 |

You are required to prepare the accounts of the notified entity, if required and audit the same. Besides this, you are also requested to scrutinize and investigate the following items:-

1. Investigation of fraudulent and illegal transactions entered into by Shri G.N.Hegde, a notified entity as referred to in Jankiraman Committee Report, IDG Report, Reports based on the audit of the banks conducted by RBI and charge sheet filed in the Special Court.
2. Third Party liability as exhibited in the accounts of Shri G.N.Hegde, a notified party towards Banks, Financial Institutions and other notified parties, etc.
3. Analysis of "on account" payments.
4. All documents relating to purchase and sale of shares.
5. Trading account of other notified parties to be specifically examined.

The above items do not comprise exhaustive list. You are requested to conduct investigation/scrutiny in respect of other items also which come to notice during the course of audit of accounts.

You are also required to draw the statement of assets and liabilities as on 6th June 1992.

You are requested to complete the audit within 3 months and submit the report latest by 15th February 2004.

Yours faithfully,


(N.K.SRIVASTAVA)
Officer on Special Duty

Copy to: Shri G.N.Hegde – Garden Queen, 3rd Floor, Gazder Scheme, 16th North Avenue, Santacruz (W), Mumbai – 400 054 - with the request that he may make arrangements to hand over the accounts and accounts books to M/s. Vyas & Vyas, Chartered Accountants immediately.

Head Quarter, New Delhi.

PA to Deputy Secretary

Letter along with the folder
