

"HSM addressed a letter to Custodian to collect PSU Bonds of Rs.50 Crores f.v. being 17% NTPC Bonds from Syndicate Bank."

20/11



S. MEHTA

STOCK EXCHANGE BOMBAY

SECURITIES & FINANCE BROKERS

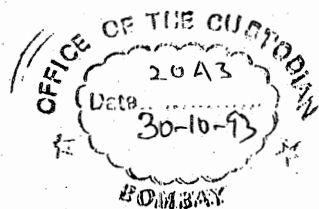
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October 29, 1993.

Office of the Custodian,
9th Floor, Nariman Bhavan,
Nariman Point,
Bombay - 400 021.



Dear Sir,

Reg : Claim Collection of paid for Rs. 50 crores
17% NTPC Bonds from Syndicate Bank.

I had been regularly dealing with/for Syndicate Bank. On 24th March, 1992 the above bank entered into a ready forward transaction and lent a sum of Rs.50 crores (equivalent face value) for a period of three days at an interest rate of 28% p.a. The bank lent the above sum against the security of 17% NTPC bonds of a face value of Rs.50 crores @ Rs. 93/- per bond. Accordingly, a cheque of Rs.47,94,38,356.16 was paid by the bank (Cost Memo enclosed). The reversal of the above transaction did not take place on 27th March, 1992 as scheduled. However, on 28th March, 1992 two cheques were paid to Syndicate Bank from my current account in SBI against the reversal of the above transaction. These two cheques were drawn for an amount as Rs.19,73,24,732.55 and Rs.28,99,84,855.85 totalling to an amount of Rs.48,73,09,588.44. At a stipulated interest rate of 28% of interest, the total amount payable to Syndicate Bank on

28/03/1992 comes to Rs.48,09,09,509.47 (Cost Memo enclosed) and thus an excess of Rs.64,00,647.84 has been paid to the bank. In fact on the basis of amount paid to the bank on 28/03/1992 the interest rate works out to 149.81% p.a. which itself establishes the excess payment.

Besides this, after making the above payment the delivery of bonds has not been collected together with attached interest warrants. Between 28th March, 1992 and today the interest has fallen due on these bonds on three occasions i.e. 28th July, 1992, 22nd January, 1993 and 22nd July, 1993. These three interest payments, amount to Rs.12,75,00,000 (Rs.12.75 crores).

I wish to inform your office that despite the public notice put up by your office for making it obligatory on the parties who owe money and assets to me to disclose it to you, the above bank has not come forward and disclosed the above bonds to your office. In the circumstances I request your office to do the following :-

- a.) take possession of Rs.50 crores (face value) bonds of 17% NTPC together with the interest warrants for past and future.
- b.) in case the bank has encashed interest warrants of Rs.12.75 crores as stated above, then collect this amount from the bank.
- c.) to lodge a claim with the bank for interest on this outstanding amount of Rs.12.75 crores @ 24% per annum on quarterly rest basis.



d.) collect the ~~excess~~ amount paid to them of Rs.64,00,647.84 on 28th March, 1992 together with interest @ 24% per annum computed as quarterly rest basis from 28th March, 1993 onwards.

I wish to further state that out of the above bonds I have pointed out Rs.30 crores face value bonds and outstanding interest on it in my application No.215 indicating the repayment plan submitted before the Hon'ble Special Court. I hope your office will take immediate steps as requested above and oblige. In case any clarification is required, please let me know.

Thanking you,

Yours faithfully,

(HARSHAD S. MBHTA)

Copy Enclosed:

a.) Cost Memos.