

**ADVERSE OBSERVATIONS / COMMENTS OF MS REKHA GUPTA - CUSTODIAN, IN THE MATTER OF PAYMENT OF FEES TO M/S VYAS & VYAS - CHARTERED ACCOUNTANTS APPOINTED BY THE CUSTODIAN ON 05.11.2003**

1. As per the appointment letter dt 5 Nov 2003, M/s Vyas & Vyas were to complete the work in three months - not later than 15 Feb 2004.
2. Was the amount of fee specified to them ?
3. How many months did the work take ?
4. Where is the acceptance or work letter ?
5. Was there any correspondence relating to either the quantum of work or rates or amount to be paid between 2003 and 2005 ?

Dt : 14.06.2006

Sd/-

Rekha Gupta)

This is a very unusual way of awarding work. There is no formal acceptance, there is no complete offer, there are no terms and conditions on which the work is to be done. How then is it proposed to deal with the bills and work out the amount due. It cannot be said that the C.A firm had to expend 2 years to do the work when records were not available. I am afraid based on the facts made available, it is not possible for me to give any directions. Why were the rates and mandays not fixed and mentioned in the offer.

Please re-examine and resubmit. Please also link the file in which approval was taken to award the work.

Dt : 16.06.2006

Sd/-

Rekha Gupta)

You may like to discuss.

Dt : 27.06.06

Sd/-

(Rekha Gupta)

Matter was discussed with Custodian today. Custodian wanted clarification on the following points :-

- a) The C.A was given three months time to complete the report. He has taken almost two years. Is there any explanation of delay submitted by the C.A.
- b) The C.A was to be paid the same amount as of Ashwin Mehta. He has demanded much more on the ground that quantum of work was more. Did C.A inform / take permission for this increased quantum of work.
- c) Whether C.A's report has been accepted by Special Court.

We are addressing our Mumbai office to clarify on the issues.

Dt : 27.06.06

The entire manner in which the work has been handled is casual and not as per the prescribed procedures. In future, greater care should be taken to award and get work executed according to norms and procedures.

At this stage and in absence of any other alternative, the Mumbai office has presented this proposal as a fait accompli and the payment has to be made for the manhours claimed.

Dt : 2.08.2006

Sd/-

Rekha Gupta)