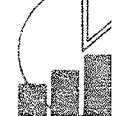


HARSHAD S. MEHTA

(MEMBER: THE STOCK EXCHANGE BOMBAY)

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STOCK SECURITIES & FINANCE BROKERS

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June 2, 1992.

Dr. Manmohan Singh,
The Hon'ble The Finance Minister of India,
North Block,
New Delhi - 110 001.

Sir,

I take the opportunity of approaching you, Sir, in one more attempt on my part in the hope and expectation that the offer made in the letter will bring the entire controversy regarding the financial and stock market transactions to a quick resolution. I consider it to be my duty to the nation, to the well being of the country's economy and international reputation that this episode which has attracted attention, be closed in a manner satisfactory to all. I sincerely hope that this offer will receive your valuable consideration in the same light.

While it is not possible for me, at this stage, to determine with precision the amounts which are outstanding in various transactions since I have no access to my books of account for the time being, from various newspaper reports, it is estimated, that the transactions of about Rs. 1100 crores, are outstanding between various banks. The transactions undertaken by me followed the system of transactions which was being consistently followed in the financial market by a number of brokers and the banks themselves over the years, and was accepted as being legal.

However, my primary concern today is to ensure that these transactions are settled as soon as possible. I assure you Sir, that I have assets which I am willing to place in custody with any Bank or Institution pending the ultimate solution, so that all persons dealing with this problem, banks in question and the nation as a whole, is reassured that the amounts, large as they may seem, are realisable.

Apart from these assets, there are moneys, shares and money market assets which are receivable by me. Similarly, I am willing to place all these receivables also in your custody.

S F (V)


Sir, I have, today, independently approached the State Bank of India and Grindlays Bank in an effort to ascertain the totality of the outstandings in their books.

I am perfectly willing to abide by your instructions as to the manner in which the transactions should be settled. I am also willing to wait on you and meet you personally at any time convenient to you and explain, in greater detail, any aspect of the matter on which any clarification may be required from me.

At this stage, I also venture to suggest that if you so direct, I am willing to place all the details before any independent person or persons nominated by you who may be conversant with the working of the financial and stock market operations so that a fully acceptable solution may emerge, within the time frame stipulated by you, which I am sure would render unnecessary all the other proceedings.

Sir, I await your response and assure you that on my part I am willing to take such steps as may be necessary towards ultimately liquidating all liabilities that I may be found to have.

Yours sincerely,



(HARSHAD S. MEHTA)

Recd
Gm
2/6/92