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January 22 : 1994
Prusa : 1995 (Saka)

The Custodian
Special Courts (TORTS)
3rd Floor
Bank of Baroda Bhavan
16, Parliament Street
New Delhi 110 001.

Dear Sir

Purchase of 2 crore units (face
value of Rs.20 crores) by NHB.

Please refer to your letter No.2787/Ous./ATT/HBI/ST/92(990) dated
18 November 1993 on the captioned subject.

We have examined the contention of NHB made out in their letter
NHB(B)No.1859/93 dated 18 October 1993. Our observations in this
regard are as under :

When NHB on receipt of the payment of Rs.49,32,77,608/- from State
Bank of India on 10 February 1992 adjusted the amount of
Rs.27,24,82,000/- to reverse its ready forward transaction with
ANZ Grindlays, it apparently did not have any evidence that the
transaction was indeed with that bank. Therefore, the contention
that the adjustment was done "by mistake" may not be correct,
particularly when it did not ascertain the details from State Bank
of India within a reasonable time. Since the reversal was with the
money received from State Bank of India, apparently from NHB's
account (i.e. under netting arrangements), we are broadly in
agreement with the views expressed by you in paragraph 4 of your
letter dated 18 November 1993 referred to above, and feel that

the Custodian may take such action as is necessary and appropriate under the Special Court Act.

Yours faithfully

As.
(Anand Bimba)
Deputy Chief Officer

TRUE COPY
Booth
for K. ASHAR & CO.