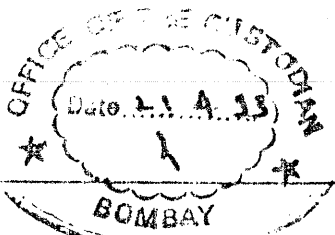


HARSHAD S. MEHTA
(MEMBER THE STOCK EXCHANGE BOMBAY)

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STOCK SECURITIES & FINANCE BROKERS

MAIN OFFICE: 1205-6 & 1518 MAKER CHAMBERS V, 221 NARIMAN POINT, BOMBAY 400 021 INDIA.
TELEPHONES: 202 4099, 202 4123, 287 1151, 223633, 223752, 240672, 245304, 245330.

TELEX:
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STOCK MARKET OFFICE: CAMA BUILDING, 4TH FLOOR, DALAL STREET, FORT, BOMBAY-400 023, INDIA TEL: 271790, 271294
DELHI OFFICE: NO. 201-202 ARUNACHAL, 19 BARAKHAMBA ROAD, NEW DELHI-110 001. Tel: 371-2994, 371-3034/35, 371-6123, 371-6128

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

April 19, 1993.

Dear Sir,

Re : Claim on State Bank of India (SBI)
Double Ready Forward Transaction in Govt. Securities

This is to inform you that on 7th March, 1992 SBI entered into a double ready forward transaction with my firm having the following particulars.

NAME OF THE SECURITY	SBI	FACE VALUE in Crores	RATE Rs.	AMOUNT Rs.
11.5% GOI CL 2010	Borrowed	348	98.25	349,10,65,409.33
Treasury Bills (24/07/92)	Lent	300	96.30	288,90,00,000.00
Treasury Bills(21/08/92)	Lent	40	95.70	38,28,00,000.00
11.5% GOI CL 2015	Lent	10	95.00	9,75,48,895.11
11.5% S/L 2011	Lent	10	94.00	9,54,18,724.22

Total Amount Lent by SBI : 346,47,67,619.33

Total Amount Borrowed by SBI : 349,10,65,409.33

The above transaction was initially entered for a period of 42 days with a differential interest rate of 2.75% in favour of SBI.

On 18th April, 1992 the transaction fell due for reversal but a roll over of the same was agreed to by the bank. It should be noted that the SBI offered the security of 11.5% GOI 2010 at a higher rate of Rs.98.25 against the then market rate which was substantially lower and in effect the difference on that account has been funded by me. It should also be noted that the amount lent by SBI against security of Treasury Bills as mentioned above would stand repaid to SBI on the date of maturity of Treasury Bills

HARSHAD S. MEHTA
(MEMBER: THE STOCK EXCHANGE BOMBAY)

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TELEX:
01 16763 GROW IN

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i.e. an amount of Rs.300 crores on 24th July, 1992 and an amount of Rs.40 cores on 21st August, 1992. In effect, the amount lent by SBI stands repaid to the above extent whereas the amount borrowed by SBI remains outstanding till date.

I request your office to raise a claim on SBI for its borrowing transaction. I am enclosing a computation sheet for raising the above claim as per which the SBI is required to repay an amount of Rs.447,21,52,249.88 if it settles the outstanding as on 30th April, 1993, and charging interest @ 24% p.a. from the date of default. I may also point out that the market value of 11.5% GOI C/L 2010 has fallen down to a level of Rs.89/- whereas SBI is required to purchase the same at Rs.125.17 on 30/04/1993. The difference in SBI's reversal rate and the current market rate works out to Rs.125,86,36,065.21. The reversal details of the rest of above transaction can be settled separately.

Please note that in April, 1992, when I made the repayment to SBI, it was as per the claims arrived at by the SBI and without reconciling it with my books of accounts. It was agreed that it would be subject to reconciliation. While settling the account the above set of outstanding transaction were not taken into account.

Please do the needful urgently and oblige.

Thanking you,

Yours faithfully,

(Harshad S. Mehta)

encl: Annexure CLAIM COMPUTATION.

HARSHAD S. MEHTA

(MEMBER, THE STOCK EXCHANGE BOMBAY)

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ANNEXURE**CLAIM COMPUTATION**

<u>PARTICULARS</u>	<u>Rupees</u>
AMOUNT LENT ON 07/03/92	349,10,65,409.33
(*) INTEREST @11.50% p.a.UPTO 18/04/92 (42 DAYS)	4,61,96,838.16
AMOUNT RECEIVABLE ON 18/04/92	353,72,62,247.49
INTEREST @24% p.a.UPTO 18/10/92 (183 DAYS)	42,56,34,405.22
AMOUNT RECEIVABLE ON 18/10/92	396,28,96,652.71
INTEREST @24% p.a.UPTO 18/04/93 (182 DAYS)	47,42,44,728.19
AMOUNT RECEIVABLE ON 18/04/93	443,71,41,380.90
INTEREST @24% p.a.UPTO 30/04/93 (12 DAYS)	3,50,10,868.98
AMOUNT RECEIVABLE ON 30/04/93 i.e. FOR FACE VALUE OF Rs.348 CR (A)	447,21,52,249.88
@ Rs.125.1677, SAY Rs.125.17	
CURRENT PURCHASE COST OF THE SAME SECURITY @ Rs.89 FOR DELIVERY ON 30/04/93 (B)	321,35,16,184.67
DIFFERENCE BETWEEN SBI'S REVERSAL VALUE AND CURRENT PURCHASE COST (A - B)	125,86,36,065.21

(*) The Base rate of Interest has been assumed at 11.5% for this transaction and 2.75% benefit to SBI can be reflected in the other claim.

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