

S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (Civil) No(s).24878/2012

(From the judgement and order dated 16/06/2011 in OSA No.47/2009 dated 09/03/2012 in RP No.430/2011 of The HIGH COURT OF KARNATAKA AT BANGALORE)

O.N.G.C.CORP.LTD.E.P.F.TRUST

Petitioner(s)

VERSUS

M/S HMT LTD.

Respondent(s)

(With office report )

Date: 28/10/2013 This Petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SUDHANSU JYOTI MUKHOPADHAYA  
HON'BLE MR. JUSTICE V. GOPALA GOWDA

For Petitioner(s) Mr. Shankar Narayaan, Adv.  
Mr.Gaurav Agrawal,Adv.

For Respondent(s) Mr. Sudeep D.Civil, Adv.  
Mr. Tayenjam Momo Singh,Adv.

UPON hearing counsel the Court made the following  
O R D E R

The learned counsel for the petitioner requested to place terms of settlement on record. He submitted that the affidavit alongwith copy of the same shall be filed in the Registry during the course of the day. The learned counsel appearing on behalf of respondent submits that he has no objection if the appropriate order passed in terms of the settlement and agreement. In this background we have taken the terms of settlement on record.

- 2 -

From the application, we find that the parties have settled the dispute amicably and the terms of the Settlement reads as follows:

"SETTLEMENT AGREEMENT

This Agreement is made on this 27th day of November, 2012 by and between:

Oil and Natural Gas Corporation Ltd. Employees Contributory Provident Fund Trust, a Trust having its office at Tel Bhawan, Dehradun (hereinafter referred to as 'ONGC ECPF Trust' or 'Trust') of the ONE Part;

AND

HMT Limited, a Company incorporated under the Indian Companies Act, 1913, having its registered office at HMT Bhavan, No. 59, Bellary Road, Bangalore 560 032 (hereinafter referred to as 'HMT') and unless repugnant to the context

shall include its Affiliates, successors and permitted assigns, of the OTHER PART.

Hereinafter collectively referred to as 'Parties' and individually as the 'Party'.

WHEREAS:

a. ONGC ECPF Trust is an employee welfare Trust managing the provident fund money of its more than 35,000 members.

b. ONGC ECPF Trust had invested a sum of Rs. 1 crore on 29/07/1994 with HMT in its 16.50% HMT (taxable) Bonds. (Bond-1)

c. HMT paid half-yearly interest upto 30/12/1996 but thereafter HMT defaulted and did not make payment of half-yearly interest and failed to honour redemption of bonds.

d. ONGC ECPF Trust was constrained to file Company Petition No. 248/2000 against HMT before Karnataka High Court.

e. Parties reached a compromise and in terms of the Compromise Petition, fresh secured 10% HMT Bonds were issued by HMT for Rs. 1,10,00,000/- vide allotment letter dated 01/06/2001.

.3.

f. ONGC ECPF Trust made another investment of Rs. 15 crore in 12% HMT Bonds on 01/08/2001 (Bond - 2).

g. Though HMT paid the principal amount against Bond - 1 along with part interest claiming it being in full and final settlement of Bond - 1 and also paid part interest in respect to Bond - 2 in the year 2005, an amount of Rs. 0.86 crore and Rs. 15 crore along with balance interest is outstanding in respect of Bond - 1 and Bond - 2 respectively against HMT as per books of Trust.

h. Meanwhile, ONGC ECPF Trust had filed Company Petition No. 92/2004 before Karnataka High Court ("the Court") during 2004 for winding up of HMT since HMT was failing to honour its payment commitment under the said Bond - 1 & 2. The said petition was dismissed by Court vide order dated 21.10.2009.

i. ONGC ECPF Trust preferred an appeal against the order of the Single Judge before the Division Bench of the Court. During the pendency of the appeal, HMT deposited further amount of Rs. 75,67,191/- with the Registry of the high Court against the dues of the Bonds. Without prejudice to the rights and contentions of ONGC ECPF Trust, Hon'ble Court vide order dated 15.02.2011 permitted withdrawal of the said amount. The Hon'ble Court dismissed the appeal vide

order dated 16.06.2011.

j. ONGC ECPF Trust filed a review petition before the Court against the order dated 16.06.2011, which was also dismissed vide order dated 09.03.2012 Aggrieved by the aforesaid, ONGC ECPF Trust filed a Special Leave Petition (SLP) No 24878/2012 before the Hon'ble Supreme Court of India during June 2012, which is pending.

k. ONGC ECPF Trust simultaneously made efforts for settlement of the matter with HMT.

l. After prolonged efforts, ONGC ECPF Trust and HMT held a meeting on 30th October, 2012 wherein a consensus was reached between the parties to settle the matter regarding the amounts due against the Bond - 2 above.

.4.

NOW THE PARTIES HEREBY AGREE AS FOLLOWS:

1. GC ECPF Trust would waive off the amount of Rs 0.86 cr in respect of Bond - 1 referred above as reflected in their Books.

2. In respect of Bond - 2 referred above, HMT will pay principal amount plus simple interest @12% for the term of the Bond i.e. upto 31/07/2006 and thereafter pay further simple interest @ 6% p.a. on the Principal of Rs. 15 Crore, till the date of payment.

3. Above said settlement amount would be paid after adjustment of amounts (interest) already paid by HMT to ONGC ECPF Trust in respect of Bond - 2 totally amounting to Rs. 3,15,58,972/-.

4. Above said settlement amount would be paid by HMT to ONGC ECPF Trust as soon as approval/sanction to its revival plans under consideration of the Government, which, inter alia, covers discharge of liabilities under these Bonds, and is expected during the period January, 2013 to 31st March, 2013.

5. After receipt of the entire settlement amount HMT as provided in Clauses: 2 and 3 above, ONGC ECPF Trust shall withdraw the SLP No. 24878/2012 filed before the Hon'ble Supreme Court of India without any costs and claims on HMT.

6. This agreement is made in two sets and each Party shall retain one set each and both the sets shall be treated as original.

IN WITNESS WHEREOF the parties hereto, have set their hand and seal on the date and day first hereinabove mentioned."

By and on behalf of  
ONGC ECPF Trust

By and on behalf of  
HMT Limited

Sd/-

Sd/-

(K.S.Jamestin)  
Director(HR) ONGC  
Corpn. Ltd.

(S.G.Sridhar)  
Chairman & Managing  
Director

SEAL

SEAL

Witness:

Witness:

Sd/-

Sd/-

M.V.CHERMAN  
General Manager

(U.JAGADISH NAYAK)  
General Manager &  
Company Secretary"

The settlement has been signed by the Director (HR) of O.N.G.C.Corp. Ltd. E.P.F. Trust and the Chairman & Managing Director of M/s. HMT Ltd. and witnessed by two other persons.

It is informed that the amount which is to be paid in terms of the settlement has already been received by O.N.G.C.Corp. Ltd. E.P.F. Trust, in terms of the agreement.

In view of the settlement made between the parties, we dispose of the special leave petition in terms of settlement with direction to the parties to adhere to the terms of settlement.

The application be filed in the Registry during the course of the day.

[RAJNI MUKHI]  
SR. P.A.

[USHA SHARMA]  
COURT MASTER