

IN THE SPECIAL COURT AT BOMBAY

Constituted under the Special Court [Trial of Offences Relating to Transactions in Securities] Act, 1992

MISCELLANEOUS APPLICATION NO.52 OF 2019

Fairgrowth Financial Services Ltd.Applicant

V/s.

The Custodian and Anr.Respondents

Mr. Aseem Naphade, i/by Mr. Swapnil Newaskar, for the Applicant-FFSL.

Mr. J. Chandran, i/by Ms. Shilpa Bhate, for the Custodian in SPMA/52/2019.

Mr. Hormaz Daruwalla, i/by Ms. Shilpa Bhate, for the Applicant in SPCR/2/2021.

Mr. Charanjeet Chanderpal, with Ms. Rachna Bhanushali, for the Income Tax Department.

CORAM : A.K. MENON, J.

JUDGE, SPECIAL COURT

DATE : 21ST JANUARY, 2022.

[THROUGH VIDEO CONFERENCE]

P.C. :

1. Mr. Chandran states that although the affidavit on behalf of the Income Tax Department dated 15th December 2021 has now been served upon the

Custodian, the office of the Custodian is in receipt of a letter dated 18th January 2022 addressed to the Custodian on the subject of “Reconciliation of outstanding dues of M/s. Fairgrowth Financial Services Ltd.” It is contended by the Deputy Commissioner of Income Tax (*DCIT*) that they are still trying to locate challans to ascertain whether a sum of Rs.28.89 lakhs has been given credit to in any of the assessment years. The DCIT has sought information from the Custodian in this respect. Difficulty is expressed since the officials are working from home.

2. In view of this, I have called upon Mr. Chandernal to seek instructions on whether the Income Tax Department intends to file any affidavit since the request contained in the letter is to the Custodian to furnish details, if any, available with the Custodian. Mr. Chandernal states that one last opportunity may be given to put their house in order and make a final submission on oath as to the state of the assessment of the notified party.

3. Mr. Chandran now states that if any further information is available, the same will also be furnished on or before 25th January 2022 with a copy marked to the Advocate for the Income Tax Department.

4. In view of the difficulties expressed in the letter and at the request of Mr. Chandernal, time to file additional affidavit on behalf of the Income Tax Department is extended for the last time to 4th February 2022.

5. At this stage, Mr. Chanderpal suggests that it would be beneficial and convenient if all parties concerned would discuss the differences in the figures so as to arrive at a consensus on the amounts due, if any, towards income tax liability. The parties were always at liberty to have virtual conferences on this aspect. Accordingly, each of the parties concerned, namely, the notified party, who is the applicant, and the Custodian's officer(s) and the officer of the DCIT shall hold a joint meeting on a virtual platform on 25th January 2022 under guidance of their respective Advocates. Further meetings can be held thereafter till the next date of hearing such that a clear picture emerges. No adjournment will be granted on the next date.

6. S.O. to 11th February 2022.

[A.K. MENON, J.]