

IN THE SPECIAL COURT (TRIAL OF OFFENCES RELATING TO

TRANSACTIONS IN SECURITIES) ACT, 1992

CUSTODIAN REPORT NO. 8 OF 2020

REPORT IN LD-VC-SPMA-3-2020

The Custodian ... Applicant
vs.
Reliance Industries Ltd. & Ors. ... Respondents

Mr. Gandhar Raikar a/w. Ms. Shilpa Bhate i/b, Leena Adhvaryu & Associates
for the Custodian.

Mr. Ashwin Mehta for the Notified Party.

CORAM : A.K. MENON, J.
Judge, Special Court
Date : 5th FEBRUARY, 2021

P.C. :

1. Called for speaking to the minutes of the order dated 29th January, 2021.
2. In paragraph 2 line 1 the date of opening of the rights issue shall be entered as 20th May, 2020.
3. The original order shall be corrected and uploaded.

(A.K. MENON, J.)

IN THE SPECIAL COURT AT BOMBAY
Constituted under the Special Court [Trial of Offences
Relating to Transactions in Securities] Act, 1992

CUSTODIAN'S REPORT NO.8 OF 2020

The Custodian

....Applicant

Report in LD-VC-SPMA-3-2020
[Custodian Vs. Reliance Industries Ltd. & Ors.]

Mr. Gandhar Raikar, with Ms. Shilpa Bhate, i/by Leena Adhvaryu & Associates,
for the Applicant-Custodian.

Dr. Milind Sathe, Sr. Advocate, with Mr. Jayesh R. Vyas, i/by Mr. Vipul Shukla,
for Respondent Nos.1 and 2.

Mr. Ashish Mehta, i/by Ethos Legal Alliance, for the Respondent-Canara Bank.

CORAM : A.K. MENON, J.
JUDGE, SPECIAL COURT

DATE : 29TH JANUARY, 2021.

P.C. :

1. By this report, the Custodian seeks a direction against Canara Bank to compensate the Notified Party – Fairgrowth Financial Services Ltd. (FFSL) to the extent of 7,062 shares, which could not be applied for in a Rights Issue announced by the company – Reliance Industries Ltd. It appears that the Canara Bank was functioning under the lock-down with short of staff and 3rd June 2020 was the last date for submission of the applications for Rights Issue.

2. The Rights Issue had opened on or about 20th May 2020. The Custodian approached this court only on 2nd June 2020 on video conference by filing LD-VC-SPMA-3-2020. That application was heard in the presence of the counsel for the respondent-company, their share registrars and their respective representatives, who were on the video conference hearing. The application was allowed to the benefit of accounts of all the notified parties mentioned in paragraph 5(i) of that order. In respect of other notified parties mentioned in the same paragraph, there has been no shortfall in the application except in the case of one of the notified party, namely, FFSL. The short fall in the application occasioned, according to Mr. Ashish Mehta, who appears for Canara Bank, for the reasons specified in the affidavit-in-reply filed on behalf of the Canara Bank dated 2nd December 2020. He pleads that there is a bonafide error and committed during a very difficult period, where the bank was unable to function normally. He therefore states that the said error was not intentional and was inadvertent and therefore no compensation can be ordered to be paid.

3. The notified party – FFSL is not represented. Today, Mr. Raikar states that as per his instructions, the Notified Party was given notice of the application, made returnable on 2nd June 2020. On 2nd June, 2020, the order does not record presence of FFSL or its authorized representative. None appears for the said

notified party today. It appears that they are unaware of the pendency of this report or of the order dated 2nd June 2020.

4. In the circumstances, the registry to issue notice to FFSL calling upon them to remain present in court on the next date. In addition, Custodian's Advocate to serve notice upon FFSL along with a copy of this order stating that the matter will now be heard on 26th February 2021.

5. S.O. to 26th February 2021.

[A.K. MENON, J.]