

எஸ். எஸ். பழநிமாணிக்கம்
S. S. PALANIMANICKAM



MINISTER OF STATE FOR FINANCE
GOVERNMENT OF INDIA
NORTH BLOCK, NEW DELHI-110001
वित्त राज्य मंत्री
भारत सरकार
नार्थ ब्लॉक, नई दिल्ली-110001

D.O.F. No. 172/06/SZ/2009-ITA-I

9/15 April, 2010.

Dear Thiru

Arun Kumar Avc
Vanakkay

Kindly refer to your letter dated 16th January, 2009 regarding assessment of Hyderabad-based Margadarshi Financiers requesting to take quick action to get the High Court stay vacated.

2. I have got the issue examined. As stated by you in your reference, the demand in the case of Margadarshi Financiers had been stayed by the Hon'ble High Court of Andhra Pradesh.

3. The Department is vigorously pursuing the case. An inspection of records by the Reserve Bank of India was carried out and the reports of the RBI have also strengthened the Department's case. The department had moved for vacation of stay as early as 18.8.2008 and had requested for an early hearing in the matter. The writ petitions in a few cases were posted as "for orders" and since the time limit of completion of proceedings was fast approaching, the court had granted interim stay. The writ which was heard in part was being adjourned under the caption "for orders" by Hon'ble Smt. Justice T. Meena Kumari and Hon'ble Shri Justice Ramesh Ranganathan. Meanwhile, the tax bench was reconstituted with Hon'ble Shri Justice Goda Raghuram and Hon'ble Shri Justice P.V. Sanjay Kumar. Since the writ petitions were being delayed, the Hon'ble Court was requested that the cases be heard on a day-to-day basis. In June, 2009 the Division Bench vide its orders dated 12.6.2009 directed that the case be placed before a regular tax bench. Later the writ petitions were listed before the First Division Bench consisting of Hon'ble Chief Justice and Hon'ble Shri Justice Ramesh Raghunathan in July, 2009. The Hon'ble Chief Justice recused himself on the ground of inconvenience. The Sr. Standing Counsel Shri S.R. Ashok met the Hon'ble Chief Justice and apprised him of the urgency in the matter. Thereafter hearings have been conducted on 16.9.09, 22.9.09, 7.10.09 and 8.10.2009. In this period the counsel for Margadarshi Financiers has been placing his arguments on all dates.

3. Meanwhile, the Department has also taken steps and is considering the appointment of Shri M. Ravindran, Addl. Solicitor General of India for the said case who has given his consent in this respect.

With regards,

Yours sincerely,


(S.S. PALANIMANICKAM)

Thiru Arun Kumar Vundavalli,
Member of Parliament (Lok Sabha)
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