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IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
IN ITS COMMERCIAL DIVISION

INTERIM APPLICATION (L) NO.27571 OF 2021  
IN  
COMS SUIT (L) NO.27568 OF 2021

R.K. Mohatta Family Trust  
Mr. Surendra Kumar Mohatta

...Applicants/  
Plaintiffs

*Versus*

Reliance Home Finance Ltd. & Ors.

...Defendants

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Mr. Mayur Khandeparkar, Mr. Sujit Lahoti, Mr. Parth P. Shah and Ms. Saniya Patki i/b. Sujit Lahoti and Associates for the Appicants / Plaintiffs.

Sharan Jagtiani, Senior Advocate, Subir Kumar, and Disha Shah i/b. SDP Advocates for the Defendant No.1.

Mr. Prateek Sakseria, Mr. Ameya Gokhale, Mr. Vaibhav Singh and Mr. Bryan Pillai and Mr. Nishant Chothani i/b. Shardul Amarchand Mangaldas & Co. for Defendant No.2.

Mr. Ravi Kada, Senior Advocate, Mr. H. Mehta and Mr. Ahsan Allona i/b. Sagar Associates for Defendant No.3.

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**CORAM : R.I. CHAGLA J**

**DATE : 31ST MARCH, 2022**

**ORDER :**

1. Heard learned Counsel for parties.

2. By this Interim Application, ad-interim relief has been sought for by the Applicants / Plaintiffs in terms of prayer clause (c) of the Interim Application which is for convening a meeting of seven debenture holders of Defendant No.1 to consider the Resolution Plan approved by the ICA lenders on 19th June, 2021 and at such meeting put to vote such resolution as may be necessary in terms of the Debenture Trust Deed.

3. Mr. Khandeparkar, the learned Counsel for the Applicants / Plaintiffs has referred to the clauses under the Debenture Trust Deed as well as he has referred to Media Release which is titled Resolution Plan Approved by the Lenders under RBI (Prudential Framework for Resolution of Stressed Assets) directions dated 7th June, 2019 and which is issued on 21st June, 2021. In the press release it is mentioned that implementation of the resolution plan by the successful bidder is subject to approval of non-ICA Lenders, shareholders, regulatory authorities and vacation of existing legal injunctions on the Company. He has referred to the relevant clause (22) of the 4th schedule of the Debenture Trust Deed which provides that a meeting of the Beneficial Owner(s) / Debenture Holder(s) as the case may be shall, inter alia have the following powers

exercisable in the manner specified in Clause 23 under which there is a power to sanction any compromise or arrangement proposed to be made between the Company and the Beneficial Owner(s) / Debenture Holder(s) as well as power to sanction any modification, alteration, or abrogation of any of the rights of the Beneficial Owner(s) / Debenture Holder(s) as the case may be against the Company or against the mortgaged premises or other properties whether such right shall arise under the Trust Deed or Debentures or otherwise. Further under Clause 23 it is provided that a special resolution passed at a meeting of the Beneficial Owner(s) / Debenture Holder(s) as the case may be duly convened and held in accordance with provisions herein contained and carried by a majority consisting of not less than three-fourth of the persons voting thereat upon a show of hands or if a poll is demanded by a majority representing not less than three-fourths in value of the votes cast on such poll. He has submitted that it is in the interest of the debenture holders for such meeting to be held by the Debenture Holders which includes the Plaintiff.

4. Mr. Sakseria, the learned Counsel for Defendant No.2 – IDBI Trusteeship Services Ltd. has submitted that an earlier meeting

had been called by Defendant No.2 giving notice of the meeting of Debenture Holders issued by Defendant No.1 on private placement basis to be held on 20th August, 2021. The notice was issued on 29th July, 2021 and is tendered and taken on record and marked 'X' for identification. Thereafter, the SEBI had raised an objection as to the holding of such meeting and had referred to and relied upon its SEBI circular dated 13th October, 2020. Accordingly, the meeting could not go ahead as called for.

5. Mr. Khandeparkar has referred to an earlier decision of this Court dated 28th October, 2021 in *Rajkumar Nagpal & Ors. Vs. Reliance Commercial Finance Ltd. & Ors.*<sup>1</sup> where the submission was made by the SEBI to the effect that the SEBI resolutions would govern the meetings irrespective of what the Debenture Trust Deed says in regard to holding of such meetings. This Court held that this submission cannot be accepted. The SEBI circular / resolutions are with effect from a particular date and cannot operate retrospectively. In repelling arguments on behalf of SEBI, this Court held that the Debenture Trust Deed must be given effect to and the calling and conduct of a meeting and voting at it shall be governed in terms of

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<sup>1</sup> I.A. (L) No.14224 of 2021 in Coms Suit (L) No.14223 of 2021.

Debenture Trust Deed. Accordingly, the Defendant was directed to call and conduct the meeting of the Debenture Holders. An appeal had been preferred from this order which has been dismissed by Division Bench of this Court vide order dated 21st March, 2022. Thus the calling, conduction and voting at the IDBI Trusteeship meeting is to be governed by the Debenture Trust Deed.

6. Mr. Kadam, learned Senior Counsel appearing for Defendant No.3 and Mr. Sharan Jagtiani, learned Senior Counsel appearing for Defendant No.1 have no objection for calling such meeting.

7. Having considered the submissions, it would be appropriate following the law laid down by this Court in *Rajkumar Nagpal (Supra)*, to grant ad-interim relief in terms of prayer clause (c). Accordingly, Defendant No.2 is directed to call meeting of the seven Debenture Holders under the three Debenture Trust Deeds within two weeks of this order. The calling, conducting and voting at such meetings shall be governed by the terms of the respective Debenture Trust Deeds. At such meetings, the second Defendant will place for consideration and approval of the beneficial owners or

debenture holders the settlement offer / compromise / arrangement / Resolution Plan approved by ICA lenders on 19th June, 2021 and put to vote such Resolution Plan.

8. It is made clear if there is any further or later or supplementary trust deed, then the provisions of that supplementary trust deed will also be taken in to account.

**[R.I. CHAGLA J.]**