

December 23, 2022

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001

**BSE Scrip Code: 540709**

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

**NSE Scrip Symbol: RHFL**

Dear Sir(s),

**Sub.: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Further to our letter dated May 13, 2022, the Order passed by the Hon'ble High Court of Judicature at Bombay on the Interim Application filed by the Company is enclosed.

Thanking you.

Yours faithfully,

For **Reliance Home Finance Limited**

**Parul Jain**

**Company Secretary & Compliance Officer**

Encl.: As Above.

**Reliance Home Finance Limited**

**Registered & Corporate Office:** The Ruby, 11<sup>th</sup> Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (West), Mumbai 400 028  
T +91 22 6838 8100 / F +91 22 6838 8360, E-mail: rhfl.investor@relianceada.com, Website: www.reliancehomefinance.com

**Customer Service:** T +91 22 4741 6400 / E-mail: customercare@reliancehomefinance.com



**ORDER :**

1. By this Interim Application filed in Commercial Suit No.162 of 2022, the Applicant (Defendant No.1) has applied for an order approving the Resolution Plan which was tabled in the meeting held on 13th May, 2022 with an option to dissenting Debenture Holders to accept the terms of the Resolution Plan and alternatively, the dissenting Debenture Holders be given a right to stand outside the Resolution Plan and pursue other legal means as available in law.

2. The Interim Application No.3928 of 2022 had been moved on 28th September, 2022, when the Applicant had applied for opening of the sealed envelop and disclosing the voting results of the meeting of Debenture Holders convened by Respondent No.2 on 13th May, 2022. The meeting was held pursuant to the orders of this Court dated 31st March, 2022 and 6th April, 2022 in Interim Application (L) No.27570 of 2021. The results of the meeting had been directed to be kept in a sealed envelop pursuant to the order dated 10th May, 2022 read with order dated 12th May, 2022 passed by this Court in Interim Application (L) No.13162 of 2022 (SEBI's intervention Application.)

3. The previous orders which were passed by this Court permitted holding of the meeting and the voting at the meeting was prior to the order of the Supreme Court dated 30th August, 2022. The applicability of the Circular dated 13th October, 2020 issued by the SEBI had still to be determined by the Supreme Court. Thus the voting of the Debenture Holders which took place on 13th May, 2022 was on that date not governed by the SEBI Circular.

4. Thereafter, the Supreme Court considered the approval of another scheme of Resolution Plan regarding the Reliance Commercial Finance Ltd. (“RCFL”) and wherein, similar to the present case, the Debenture Holders therein had instituted a Suit for the protection of their interest with respect to the amounts due to them by RCFL. Like the present case, permission was sought for holding of meeting for approval of the scheme of the Resolution Plan. This Court had permitted the holding of the meeting and the Debenture Holders therein had voted. Like in the present case, all individual and HUF holding debentures of value of less than Rs.10 lakhs would stand to realize 100% of their principal sum due, while individuals and HUFs holding debentures in excess of Rs.10 lakhs were to receive 24.96% of the principal. The applicability of the

SEBI's Circular to the voting pattern at the meeting of the Debenture Holders directly arose in the case before the Supreme Court. The Single Judge of this Court in that case had held that the meeting should not deviate from the terms of the Debenture Trust Deeds and Supplementary Trust Deeds which have to be read with the Debenture Trust Deed's in a consistent manner. The Court held that a mere reference to the SEBI Circular would not override the express terms of the Debenture Trust Deeds. SEBI challenged the Single Judge's order before the Division Bench on the ground that the SEBI Circular is applicable and the consent of the Debenture Holders at International Securities Identification Number (ISIN) was necessary before a Resolution Plan could be implemented.

5. The Division Bench of this Court after considering the challenge of SEBI granted liberty to SEBI to move before the Single Judge to obtain clarification. The Single Judge clarified that the SEBI was not a party to the Suit and could therefore not be a party to the compromise. The Division Bench dismissed the Appeal filed by the SEBI by holding that the SEBI Circular would not apply retrospectively to defaults committed prior to 13th October, 2020 because it comes into force on 13th October, 2020 and therefore only

applies to defaults committed after 13th October, 2020. Further, it does not contain any provision for retrospective application to defaults prior to 13th October, 2020.

6. The decision of the Division Bench of this Court was challenged before the Supreme Court and by the said order dated 30th August, 2022, the Supreme Court held that the SEBI Circular has retroactive application.

7. Given the said order of the Supreme Court dated 30th August, 2022 which has lays down the law on the applicability of the SEBI Circular, this Court in the present proceedings had by the order dated 28th September, 2022, though allowing opening of the voting results, provided safeguards in that the voting results were not to be publicized and only made available to the Advocates for the parties which by subsequent order dated 10th October, 2022 clarified included parties whom the Advocates represents. This Court had observed that the Supreme Court in the said order dated 30th August, 2022 held that the SEBI Circular has retroactive applicability and voting would have to be as per ISIN wise votings. Thus, the opening of the sealed envelop containing voting results of the meeting held on 13th May, 2022 was in order for the parties and

their respective Advocates in these proceedings to assist the Court as to whether the requisite majority as required in accordance with the Circular of SEBI dated 13th October, 2020 had been achieved during the course of the meeting. Nevertheless, this was without prejudice to the rights and contentions of the parties in the present proceedings.

8. Thereafter, the voting results were opened and made available to the Advocates for the parties as well as the parties whom they represented. Liberty was granted to the parties to file further Affidavit dealing with the issue as to whether the requisite majority in accordance with the SEBI Circular dated 13th October, 2020 has in fact been achieved at the meeting held on 13th May, 2022.

9. Accordingly, the present Interim Application has been taken out in which the voting results at the meeting held on 13th May, 2022 has been annexed at Exhibit H. The voting results have been depicted in three scenarios viz. (i) where the voting results are in accordance with the terms of the Debenture Trust Deeds (ii) ISIN wise analysis but based on 75% majority present and voting in each ISIN and (iii) as per the SEBI Circular dated 13th October, 2020 where each ISIN in each Debenture Trust Deed comes to 60% by number and 75% by value. From the voting results it is apparent that

though under the aforementioned scenario (1) and (2), the Resolution Plan has been approved by the requisite majority i.e 75% of those attending and voting, the ISIN voting as mandated by the SEBI Circular dated 13th October, 2020 has not been achieved. Further, at Exhibit I of the Interim Application, there is a comparison between the Resolution Plans of the Applicant and RCFL.

10. The Interim Application has sought the exercise of inherent jurisdiction of this Court under Section 151 of the Code of Civil Procedure in following the blue print laid down by the Supreme Court in the said order dated 30th August, 2022 where the Supreme Court had in exercise of powers under Article 142 of the Constitution of India moulded the relief in allowing the Resolution Plan of RCFL, though the requirement under the SEBI Circular dated 13th October, 2020 which was held to have retroactive operation had not been achieved.

11. Mr. Jagtiani, learned Senior Counsel for the Applicant has submitted that there is a similar pattern which followed if one was to consider the approval of the Resolution Plan of the Applicant in the present case as in the case of approval of the Resolution Plan of RCFL. In the present case as well as in the case of



RCFL which was before the Supreme Court upon their approval according to the terms of the Debenture Trust Deed, the retail Debenture Holders i.e. the individual and HUF Debenture Holders upto Rs.5 lakhs in the present case and upto Rs.10 lakhs in the case of the RCFL would recover 100% of their principal dues from the said companies. The number of Debenture Holders in the present case recovering 100% of their principal dues has been mentioned in paragraph 23 of the Interim Application, viz. 19,353 Debenture Holders in number out of a total of 20,861 Debenture Holders.

12. Mr. Jagtiani has submitted that the Supreme Court in the said order dated 30th August, 2022, was mindful of the recovery which would result i.e. the small time Debenture Holders recovering their 100% dues upon approval of the Resolution Plan. This has been mentioned in paragraph 88 of the said order dated 30th August, 2022. In paragraph 89 of the said Order, the Supreme Court has considered that different voting mechanism proposed under the SEBI Circular will further delay the resolution process and potentially disrupt the efforts undertaken by the stakeholders, including the retail Debenture Holders. Such unscrambling of the resolution process will not only prove time-consuming but may also

adversely affect the agreed realized gains to the retail Debenture Holders, who have already consented to the negotiated settlement before the High Court. The Supreme Court exercised powers under Article 142 of the Constitution of India and moulded the relief in view of the peculiar facts and circumstances of the present case.

13. The Supreme Court has noted that after the SEBI Circular dated 13th October, 2020, there are two mechanisms in situations where a compromise or resolution is sought. One is a compromise under the SEBI's Circular which lies outside the process of the NCLT to restructure the debt binding both dissenting and abstaining Debenture Holders and second is a compromise under Section 230 of the Companies Act by approaching the NCLT, which would be binding on the dissenting / abstaining Debenture Holders. It is noted by the Supreme Court that the dissenting Debenture Holders would have been bound by the Resolution Plan if it had been approved in accordance with the Insolvency and Bankruptcy Code, 2016 or under an ICA as acceded to under the SEBI Circular. Accordingly, the Supreme Court deemed it appropriate that dissenting Debenture Holders should be provided an option to accept the terms of the Resolution Plan. Alternatively, the dissenting

Debenture Holders have a right to stand outside the proposed Resolution Plan framed under the lender's ICA and pursuant to other legal means to recover their entitled dues.

14. Mr. Jagtiani has accordingly submitted that a similar option may be provided to the Debenture Holders in the present case. He has submitted that this would be in the interest of justice and will not result in delaying the resolution process and disrupting the efforts undertaken by the stakeholders, including the retail Debenture Holders. Mr. Jagtiani has referred to the decision of the Supreme Court in the case of *K.K. Velusamy Vs. N. Palanisamy*<sup>1</sup> on the inherent powers of this Court under Section 151 of the CPC, though aware of its limitations and as an officer of the Court.

15. Mr. Ashish Kamat appearing for the Respondent No.4 has supported the submissions of Mr. Jagtiani and he has also drawn reference to the order of the Supreme Court dated 30th August, 2022 as well as the aforementioned observations of the Supreme Court.

16. Mr. Chetan Kapadia, the learned Counsel appearing for the lead bank viz. Bank of Baroda who is Defendant

---

<sup>1</sup> (2011) 11 Supreme Court Cases 275.

No.3 in the Suit has fairly stated that this Court does not have the powers under Section 151 to mould the relief as has been done by the Supreme Court in exercise of its powers under Article 142 of the Constitution of India by the said order dated 30th August, 2022. He has submitted that since it has been held by the Supreme Court that the SEBI Circular is binding and has retroactive effect, the Debenture Trustees would be bound to follow the SEBI Circular in voting on the approval of the Resolution Plan.

17. Mr. Mustafa Doctor, learned Senior Counsel appearing for the SEBI has taken this Court through the prior orders including order dated 28th September, 2022 by which this Court had allowed the opening of the sealed envelop containing the voting results but in doing so recorded that, this exercise been done for the Advocates for the parties and subsequently clarified to include the parties whom they represent to assist the Court as to whether the requisite majority in accordance with the SEBI Circular dated 13th October, 2020 has been achieved during the course of the meeting and for approval of the Resolution Plan. He has submitted that this Court had further observed that the said order of the Supreme Court dated 30th August, 2022 has held that the SEBI Circular has

retroactive application and voting would have to be as per the ISIN wise voting.

18. Mr. Mustafa Doctor has submitted that the voting of the Debenture Holders at the meeting held on 13th May, 2022 was permitted by this Court in light of an order of the Single Judge which had held that the voting shall be in accordance with the terms of the Debenture Trust Deeds and not the SEBI Circular. The order of the Single Judge had been stayed by the Appellate Bench and which was not brought to the notice of this Court. However, in view of the subsequent order dated 30th August, 2022 passed by the Supreme Court, it was no longer left to the Applicant to contend that the SEBI Circular does not have retroactive effect and infact this was the recorded in the order dated 28th September, 2022.

19. Mr. Mustafa Doctor has submitted that the comparison between this case and the case of RCFL cannot be made as the Resolution Plan in the case of RCFL had been upheld by the Supreme Court whilst moulding relief in exercise of powers under Article 142 of the Constitution of India. This Court does not have the power to mould the relief as exercised by the Supreme Court under Article 142. He has relied upon the decision of this Court in ***Royal***

*Insurance Co. Ltd. and Vadair Narsimha Murti Vs. Abdul Mahomed Meheralli*<sup>2</sup>, wherein this Court has held that the Court should never avail inherent powers under Section 151 in order to do something which is contrary to what a statute lays down. He has further relied upon the decision of the Supreme Court in *My Palace Mutually Aided CHS Ltd. V B. Mahesh & Ors.*<sup>3</sup>, wherein the Supreme Court has in paragraph 26 held that Section 151 of the CPC provides for Civil Courts to invoke their inherent jurisdiction and utilize the same to meet ends of justice or to prevent abuse of the process. The Supreme Court has tempered the provision to limit its ambit to only those circumstances where the certain procedure gaps exist, to ensure that substantive justice is not obliterated by hyper technicalities. The decision of the Supreme Court in *Padam Sen Vs. State of UP*<sup>4</sup> has been referred to and wherein it is provided that the Court is free to exercise inherent powers under Section 151 of the CPC provided the exercise of those powers are not in any way in conflict with what has been expressly provided in the Code or against the intentions of the legislature.

20. \_\_\_\_\_ Mr. Mustafa Doctor has accordingly submitted that

2 (1954) ILR 1422.

3 2022 SCC Online SC 1063.

4 AIR 1961 SC 218.

the Applicant by the present Interim Application has sought for exercise of inherent powers by this Court under Section 151 of the CPC which would be in conflict with the settled law, particularly the SEBI Circular dated 13th October, 2020 which has the force of law and has been held to have retroactive application by the Supreme Court in the said order dated 30th August, 2022.

21. Having considered the rival submissions, in my view considering the law laid down by the Supreme Court in ***SEBI Vs. Rajkumar Nagpal & Ors.***<sup>5</sup>, which holds that the SEBI Circular dated 13th October, 2020 has retroactive application, it is not open for the Applicant by way of this present Interim Application to contend otherwise. The moulding of relief can only be done by the Supreme Court under Article 142 of the Constitution of India. This Court under Section 151 of the CPC does not have the powers akin to Article 142 of the Constitution of India. It has been well settled in the aforementioned decisions that the exercise of powers under Section 151 of the CPC is limited to only those circumstances where procedural gaps exists and which is not expressly or impliedly provided for in the CPC, so as to ensure substantive justice is not

---

<sup>5</sup> Judgment and Order in Civil Appeal No.5247 of 2022 dated 30th August, 2022.

obliterated by hyper technicalities. This Court whilst exercising jurisdiction under Section 151 cannot be do something contrary to what the statute lays down. The SEBI Circular dated 13th October, 2020 has received the force of law by the said judgment and order dated 30th August, 2022 of the Supreme Court which holds the SEBI Circular to have retroactive effect.

22. It is a conceded position that in accordance with SEBI's Circular dated 13th October, 2020, the requisite majority has not been achieved for approval of the Resolution Plan tabled for approval of at the meeting held on 13th May, 2022. I have taken note of the manner in which the Supreme Court has moulded the relief in approving the Resolution Plan which was the subject matter of those proceedings. In particular, I have noted the observations of the Supreme Court which are in Paragraph 88 and 89 wherein notice has been taken regarding the small Retail Debenture Holders whose exposure is not more than Rs.10 lakhs in that case being in a position to recover 100% of their admitted dues under the Resolution Plan.

23. There can be a comparison drawn between that case and the present case, wherein a similar pattern arises if one was to consider the approval of the Resolution Plan. In the present case



this would benefit the small Retail Debenture Holders having exposure upto Rs.5 lakhs being in a position to recover 100% of their principal dues. These small Retail Debenture Holders number 19353 out of the total 20861 Debenture Holders. However, the moulding of relief as had been done by Supreme Court in approving the Resolution Plan in the case of RCFL cannot be done by this Court in exercise of its inherent powers under Section 151 of the CPC for approving the Resolution Plan of the Applicant as has been sought for it in the present Interim Application.

24. In view of the above finding it is not necessary to go into the other arguments of SEBI that by the filing of the present Interim Application, the Applicant has overridden the prior orders of this Court.

25. The relief sought for in the Interim Application accordingly is not granted.

26. The Interim Application is disposed of. There shall be no order as to costs.

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