

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE/ORIGINAL JURISDICTION

SPECIAL LEAVE PETITION (CIVIL) NOS.9286-9287 OF 2018

JAYASWAL NECO INDUSTRIES LIMITED & ANOTHER ..Petitioners

VERSUS

RESERVE BANK OF INDIA & OTHERS ..Respondents

WITH

TRANSFER PETITION (CIVIL) NO.1971 OF 2018

BILT GRAPHIC PAPER PRODUCTS LIMITED ..Petitioner

VERSUS

RESERVE BANK OF INDIA & OTHERS ..Respondents

O R D E R

SLP (CIVIL) NOS.9286-9287 OF 2018

1. These Special Leave Petitions arise out of the final judgment and order dated 05.03.2018 passed by the High Court of Judicature at Bombay in Writ Petition (Lodging) No.56 of 2018 and Notice of Motion (Lodging) No.21 of 2018 in Writ Petition (Lodging) No.56 of 2018. The writ petition had challenged three circulars issued by the Reserve Bank of India ('the RBI', for short) on 29.09.2017, 30.11.2017 and 07.12.2017.

2. The Special Leave Petitions came up before this Court on 16.04.2018 when this Court issued notice and ordered that *status-quo* be maintained by the parties.

3. After passing of the order dated 16.04.2018 and during the period of December 2018 to June 2021 eleven out of twelve lenders of the petitioners, assigned their debts to Assets Care & Reconstruction Enterprise Ltd. ("ACRE" for short), while the 12th lender entered into One-Time Settlement with the petitioners.

4. As a result of these arrangements, as of now, ACRE is the only financial creditor. An arrangement was thereafter entered into between ACRE and the petitioners, in terms of which ACRE agreed to withdraw the Insolvency & Bankruptcy Code proceedings initiated against the petitioners, while the petitioners undertook to withdraw the instant Special Leave Petitions.

5. In pursuance of such arrangement (i) I.A. No.106796 of 2021 has been preferred by the petitioners for withdrawal of the Special Leave Petitions; and, (ii) I.A. No.141774 of 2021 has been filed on behalf of ACRE seeking certain directions.

6. The applications are opposed by the RBI by filing its responses to both the applications. The RBI has submitted that the applications for withdrawal be rejected and the matter be taken up for hearing on merits. Principally the submission has been that taking advantage of the order granting *status-quo*, certain arrangements were entered into behind the back of the RBI, and therefore such conduct must disentitle the applicants from seeking withdrawal as prayed for.

7. Though we see force in the submissions advanced by the RBI, we allow the applications seeking permission to withdraw the Special Leave Petitions, mainly because out of eleven lenders, who assigned the debts to ACRE, nine lenders are Public Sector Financial Corporations/Banks. If, at this stage, permission to withdraw the Special Leave Petitions is not granted and the Special Leave Petitions are rejected with further directions to restore *status-quo ante* as suggested by the RBI, it may lead to a situation where huge sums of money may be required to be refunded by such lenders.

8. Guided by this aspect alone, we permit the applications preferred by the petitioners and ACRE subject to the petitioners depositing a sum of Rs.10,00,000/- (Rupees Ten Lakhs Only) as costs with the Supreme Court Middle Income Group

Legal Aid Society, within two weeks from today. Accordingly, the Special Leave Petitions will stand dismissed as withdrawn after such deposit.

9. We make it clear that we have neither affirmed nor given any seal of imprimatur insofar as the events which have happened after the order of *status-quo* granted by this Court.

T.P.(C) No.1971/2018

10. Since the Special Leave Petitions are disposed of, no orders are called for in this Transfer Petition. The Transfer Petition is, accordingly, rejected.

Pending applications, if any, also stand disposed of.

.....J.
(UDAY UMESH LALIT)

.....J.
(S. RAVINDRA BHAT)

New Delhi,
May 04, 2022.