THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-I

IA 1748/2025

Under Section 60(5) of Insolvency & Bankruptcy Code, 2016 r/w Rule 11 of NCLT Rules, 2016

Securities and Exchange Board of India

...**Applicant**

V/s

Mr. Nageshwara Rao. Y. & Ors

…**Respondents**

In the matter of

C.P.(IB) No. 1231/MB/2021

Reserve Bank of India

…**Petitioner**

Vs.

Reliance Capital Limited

…Respondent

Order delivered on: 09.09.2025

Coram:

Shri. Prabhat Kumar
Hon'ble Member (Technical)

Shri. Sushil Mahadeorao Kochey
Hon'ble Member (Judicial)

Appearances:

For the Applicant : Mr. Chetan Kapadia

For Respondent : Mr. Rohan Kadam

ORDER

1. This Application IA 1748/2025 is filed under Section 60(5) of The Insolvency and Bankruptcy Code, 2016 ("Code") by **Securities and Exchange Board of lndia** (Applicant), seeking recall of paragraph 49 of the Plan Approval Order dated 27th February 2024 in so far as it allows reliefs and/or concessions and/or waivers contained in clause 9.1.8 of the Resolution Plan submitted by IndusInd International Holdings Limited ("HHL") in the Corporate Insolvency Resolution Process of Reliance Capital Limited ("RCL / Corporate Debtor"). The erstwhile Administrator Mr. Nageswara Rao Y. is a Respondent No. 1, the Successful Resolution Applicant IndusInd International Holdings Limited is the Respondent No. 2 and Reliance Exchangenext Limited ("REL"), which is a subsidiary of the Corporate Debtor herein, is a Respondent No. 3. The Applicant seeks following reliefs:

   a. *That this Hon'ble Tribunal be pleased to allow the captioned Interlocutory Application.*
   b. *This Hon'ble Tribunal may be pleased to recall paragraph 49 of the Plan Approval Order dated 27.02.2024, in so far as it allows reliefs and/or concessions and/or waivers contained in the Impugned Chapter IX of the Resolution Plan in respect of Respondent No. 3/REL;*
   c. *Strictly in the alternative to prayer (c) above, this Hon'ble Tribunal may be pleased to clarify that paragraph 49 of the Plan Approval Order dated 27 .02.2024 in so far as it allows reliefs and/or concessions and / or waivers contained in impugned Chapter IX of the Resolution Plan only concerns and/or relates to liability or obligations of the Corporate Debtor / RCL and it does not in any manner:*
      i. *extinguish all the disputes/claims/liabilities/penalties/actions/proceedings etc. imposed on the subsidiaries of RCL including the Respondent No. 3/ REL under the WTM Order dated 22.08.2024:*

ii. *affects cause of action, claim, litigation, or any other proceedings in connection with subsidiaries of RCL, including proceedings filed/ to be filed beforc the Honble Securities Appellate Tribunal or any other Court in connection with liability of Respondent No.3/ REL towards the Applicant under the applicable laws.*

d. *Pending the hearing and final disposal of present application be pleased to stay the effect, operation and implementation of paragraph 49 of the Plan Approval Order dated 27.02.2024, to the extent that Chapter IX of the Resolution Plan extinguishes the liabilities of RCL;*

e. *Pending the hearing and final disposal of present application be pleased to clarify that the Plan Approval Order dated 27.02.2024 shall not in any manner affect the hearing of proceedings in Appeal No. 643 of 2024 before Hon'ble SAT filed by Respondent No. 3/REL challenging the WTM Order dated 22.08.2024:*

f. *Interim/Ad-interim reliefs in terms of prayer clauses above;*

g. *Any other order as this Hon'ble Tribunal deems fits and proper in the interest of justice, equity and good concise.*

2. The Applicant, i.e. Securities and Exchange Board of India (hereinafter referred to as "Applicant/SEBl") is a statutory regulatory body formed under an act of Parliament viz. Securities and Exchange Board of India Act. 1992 ("SEBI Act") and is established to inter alia protect the interests of investors and to promote the development of and regulation of the securities market in India. The Applicant through its Learned Whole Time Member has passed an order dated 22.08.2024 read with Corrigendum dated 30.08.2024 (“SEBI WTM Order") in exercise of powers under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of the SEBI Act against 26 entities including against REL owing to a large-scale fraudulent scheme/ artifice/ device perpetrated by Mr. Anil Dhirajlal Ambani, the Chairman of the Reliance ADA Group and their connected entities (including RCL and Respondent No. 3/REL) whereby thousands of crores were systematically diverted and siphoned off from a home finance company which

is also a listed company namely Reliance Home Finance Limited ("RHFL') to promoter related entities belonging to the Reliance ADA Group.

3. It is case of the Applicant that the Plan Approval Order read with the approved Resolution Plan in the matter of RCL, more particularly paragraph 49 of the said order, which is deliberately being misread/ misinterpreted by Respondent No.3/REL to contend that the liabilities of the subsidiaries of the corporate debtor (RCL) stand extinguished pursuant to waivers, reliefs and concessions granted. Notably, the subsidiary companies of RCL were never part of the CIRP of RCL in any manner whatsoever. Further, REL has been blatantly misusing the Plan Approval Order to avoid compliance with the directions passed by the Applicant under the WTM Order dated 22.08.2024, and has in fact indulged into misleading the Hon'ble Securities Appellate Tribunal in its Appeal No. &3 of 2024 Reliance Exchangenext Limited vs SEBI by falsely contending that the Plan Approval Order read with the Resolution Plan of RCL (corporate debtor) is also applicable to Respondent No. 3/REL being the wholly owned subsidiary of RCL.

4. The Applicant has submitted that –

   a. The purported clauses of waivers, reliefs and/or concessions contained in the Impugned Chapter IX of the Plan Approval Order is without jurisdiction particularly when such subsidiary companies (including REL) were never admitted into CIR.

   b. vide a subsequent clarificatory order dated 13.03.2024 (corrigendum to the Plan Approval Order dated 27.02.2024), this Tribunal in para 12 therein has clarified that the operative part of the Plan Approval Order dated 27.02.2024 will prevail over the text of reliefs and concession in the Resolution Plan. It is submitted that the text of paragraph 49 of the Plan Approval Order dated 27.02.2024 clearly pertains to grant of reliefs and concessions only to the Corporate Debtor i.e. Respondent No. l/Reliance Capital Ltd. and in no manner states or even mentions grant of any reliefs and/or concessions to the subsidiaries of the Respondent No. l/Reliance Capital Ltd.

5. Respondent No. 1 has filed the Reply stating that the said approval order has been in the public domain since then. Thus, the Applicant, had it been aggrieved, could have preferred an appeal before the National Company Law Appellate Tribunal. It did not do so, and the Plan Approval Order has attained finality. It is also submitted that, while scrutinizing the draft resolution plans submitted by all the prospective resolution applicants, including IIHL, and particularly with respect to treatment of subsidiaries of the Corporate Debtor, the Administrator had made clear that the CIRP and the resolution plan is only for the Corporate Debtor, therefore, any reliefs that pertain to the subsidiaries would necessarily have to be left to the discretion of the court and cannot be a condition for the implementation of the Resolution Plan. Thus, there is no dereliction of duty on behalf of the Administrator.
6. It is admitted fact that Hon'ble SAT dismissed the Miscellaneous Application filed by REL for seeking extension of time to deposit 25% of the penalty amount and REL has been asked to make pre-deposit, thus Hon'ble SAT is yet to interpret the Plan Approval order and decide the appeal of REL.
7. Heard the learned counsel for both sides and perused the records.
8. The Para 49 of the Order dated 27.2.2024 passed in IA 2949 of 2023 approving the Resolution Plan submitted by Respondent No. 2 for the Resolution of Corporate Debtor reads as under :

> *"49. It is trite law that all claims, liability or obligations against the Corporate Debtor extinguishes upon the approval of the Resolution Plan, and the Corporate Debtor cannot be made liable to pay any amount, of whatsoever nature, in relation to period upto the date of approval of Resolution Plan, irrespective of whether such amount was claimed or not, including the claims arising in future in respect of said period. Further, we are of considered view that the acquisition of the Corporate Debtor in terms of approved Resolution Plan by the Resolution Applicant is under a scheme approved in terms of*

provisions of Insolvency & Bankruptcy Code, 2016, no liability in relation to any tax can arise in the hands of the Successful Resolution Applicant from such acquisition. Accordingly, we allow the reliefs claimed in relation to liability or obligations, whether existing or arising in future, in relation to period upto the date of approval of this Plan and hold that the Corporate Debtor shall not be liable to any civil or criminal liability or obligation in relation to the said period upon implementation of this Plan. Consequently, it shall be deemed that all the creditors, including authorities, have issued no objection in respect of their claims, dues or civil or criminal actions against Corporate Debtor and shall update the status of the Corporate Debtor in their records accordingly. Accordingly, we allow Relief claimed vide clause no. 9.1.1.1, 9.1.1.4 to 9.1.1.17, 9.1.1.21 to 9.1.1.25, 9.1.1.29 to 9.1.1.30, 9.1.32 to 9.1.36, 9.1.2 to 9.1.6, 9.1. 7 and all subclause thereunder, 9.18 to 9.1.13."

9. Thereafter, this Bench had passed an order dated 13.03.2024 in IA 1005 of 2024 modifying the Order dated 27.02.2024 to correct certain mistakes crept therein. Para 4 of the said Order states that

"*The Applicant has further drawn our attention that in para no. 49 of the Order the reference to "9.1.32 to 9.1.36" be read as "9.1.1.32 to 9.1.1.36", and "9.18 to 9.1.13" be read as "9.1.8 to 9.1.13". We find the contention of the Applicant to be correct accordingly, we order that "9.1.32 to 9.1.36" shall be substituted with "9.1.1.32 to 9.1.1.36", and "9.18 to 9.1.13" shall be substituted with "9.1.8 to 9.1.13".*

10. Clause 9.1.8 of the Approved Resolution Plan reads as under –

"9.1.8. From the NCLT Approval Date, all inquiries, investigations, attachments, notices, show cause notices, causes of action, suits, settlement agreements, Claims, disputes, criminal proceedings, Tax proceedings, litigation, arbitration or other judicial, regulatory or administrative proceedings in connection with the Corporate Debtor, its Affiliates subsidiaries, associate company or affairs of the Corporate Debtor, its Affiliates,

subsidiaries, associate company including proceedings before the Debt Recovery Tribunal, Magistrate's Court, High Court, Supreme Court, Consumer Courts, RBL SEBL Stock Exchange, Registrar of Companies, Regional Director, or any judicial or quasi judicial authority or any rating agency against the Corporate Debtor, its Affiliates, subsidiaries, associate company pending or threatened, present or future in relation to any period prior to the NCLT Approval Date from any Person or Governmental Authority, or arising on account of implementation of this Resolution Plan shall stand withdrawn and dismissed and all liabilities and obligations therefore, whether or not set out in the balance sheets of the Corporate Debtor along with its Affiliates, subsidiaries and associate company or the profit and loss account statements of the Corporate Debtor along with its Affiliates, subsidiaries and associate company will be deemed to have been permanently extinguished and no adverse orders passed in the said matters should apply to the Corporate Debtor along with its Affiliates, subsidiaries and associate company or the Resolution Applicant. Upon approval of this Resolution Plan, all new inquiries, investigations, notices, suits, Claims, disputes, litigations, arbitrations or other judicial, regulatory or administrative proceedings will be deemed to be barred and will not be initiated or admitted against the Corporate Debtor, its Affiliates, subsidiaries and associate company in relation to any period prior to the NCLT Approval Date."

11. The question arises whether this Application could be maintained in terms of Section 60(5) of the I B Code, when the Order dated 27.2.2024 was an appealable order and any aggrieved person was entitled to file an appeal against the said order in terms of Section 61(1) of the Code. Undisputedly, the Applicant herein was not a party to the proceedings in IA 2949 of 2023 and it became aware of the effect and purport of the Order dated 27.2.2024 only after specific plea was taken by the Respondent No. 3 in an adjudication proceedings before Ld. Whole Time Member of the Applicant and thereafter before Hon'ble SAT in the appellate proceedings arising from such

adjudication order, by which time the statutory period for filing the appeal in terms of Section 61(1) had expired. Nonetheless, Section 60(5) of the I B Code provides that this Tribunal shall have jurisdiction to entertain or dispose of any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the corporate debtor or corporate person under this Code. Accordingly, we are of considered view that this Application is maintainable.

12. The Applicant has sought recall of paragraph 49 of the Plan Approval Order dated 27th February 2024 in so far as it allows reliefs and/or concessions and/or waivers contained in clause 9.1.8 of the Resolution Plan to the extent it has the effect of extinguishing the debt/liabilities owed by Respondent No.3/REL to its creditors including the Applicant, or in alternate, clarification that clause 9.1.8 of the Resolution Plan to the extent does not extinguish the debt/liabilities owed by Respondent No.3/REL to its creditors including the Applicant.

13. The power of this Tribunal to recall its order is dealt in the decision of Hon'ble Supreme Court in the case of ***Greater Noida v. Prabhjit Singh Soni (2024) 6 SCC 767*** at para 50 thereof, which reads as under –

"…… *Therefore, even in absence of a specific provision empowering the Tribunal to recall its order, the Tribunal has power to recall its order. However, such power is to be exercised sparingly, and not as a tool to re-hear the matter. Ordinarily, an application for recall of an order is maintainable on limited grounds, inter alia, where (a) the order is without jurisdiction; (b) the party aggrieved with the order is not served with notice of the proceedings in which the order under recall has been passed; and (c) the order has been obtained by misrepresentation of facts or by playing fraud upon the Court /Tribunal resulting in gross failure of justice."*

14. In terms of Section 31 of I B Code, this Tribunal is vested jurisdiction to approve a Resolution Plan, approved by CoC in the Corporate Insolvency

Resolution of a Corporate Debtor, and also consider the grant of relief & concessions qua Corporate Debtor prayed therein from this Tribunal. It is settled law that all the stakeholders or the persons, who may be affected by the provisions in the Resolution Plan, need not be given an opportunity of being heard by this Tribunal while considering the Resolution Plan, as Section 61(1) of the Code is widely worded and allows any aggrieved person to file an appeal against the Order passed by this Tribunal. Further, the relief & concessions prayed in terms of Clause 9 of the Resolution Plan were placed before this Tribunal for its consideration with a clear stipulation that if the reliefs as sought in Chapter IX of the Resolution Plan are not granted by this Hon'ble Tribunal, IIHL would still proceed with the implementation of the Resolution Plan without any impact to the timelines or quantum of payments specified in the Resolution Plan. Accordingly, we are of considered view that we cannot recall the Para 49 of the Order dated 27.2.2024 in so far it is claimed to be effecting the Applicant.

15. As regards alternate prayer for clarification, the first part of Para 49 of the Order dated 27.2.2024 is unambiguous and clear in its language, and later part of it mentions the clause(s) of approved Resolution Plan in relation to which relief has been allowed. The Applicant has contended that the wording of para 49 is capable of more than one meaning. However, we do not find it to be so as the language of Para 49 of the Order dated 27.2.2024 is unambiguous and clear. In our considered view, the Para 49 is to be harmoniously read and interpreted to give it the meaning. Nonetheless, if there arises an issue relating to the interpretation of Para 49 of the Order dated 27.2.2024 as to whether the last sentence of that Para is to be read in the context set out in preceding sentence(s) of that para or dehors of that, this requires us to review our own order in the light of arguments placed before us and this Tribunal does not have power to do so at this juncture. Accordingly, we do not find any merit in prayer for clarification also.

16. The appellate proceedings before Hon'ble SAT arising from the adjudication order passed by the Applicant are pending and the Hon'ble SAT has not formed a view that the Resolution Plan Approval order extinguishes the liabilities of the subsidiary of RCL as well as is evident from the direction for pre-deposit. The Applicant's contention that the Insolvency Resolution proceedings are in rem is no longer res integra, however this proposition does not entitle a stakeholder to raise the issues effecting the other stakeholders, if any.

17. In view of the foregoing, IA 1748 of 2025 is dismissed and disposed of accordingly.

-Sd/-
Prabhat Kumar
Member (Technical)

-Sd/-
Sushil Mahadeorao Kochey
Member (Judicial)