

AXIS TRUSTEE SERVICES LIMITED

Yes Bank Limited – AT1 Bond Issuances

Brief of Matter –

The Administrator, Yes Bank, under the guidance of the Reserve Bank of India ('RBI'), had written off the AT-1 Bonds issued by Yes Bank ('impugned action') to certain debenture holders, thereby leaving the interests of a large number of debenture holders highly prejudiced, Axis Trustee Services Limited ('ATSL'), in its capacity of a Debenture Trustee, initiated relevant discussions with the largely effected Bondholders and upon their suitable instructions, filed a **Writ Petition (c) no. 850/2020** against the Administrator, Yes Bank, RBI, etc. before the Hon'ble High Court of Bombay ('writ petition') praying that the impugned action of the Administrator be quashed and set aside and that the AT-1 Bonds be reinstated on grounds that the Administrator was not lawful in his impugned action and that he lacked legal competence to do so.

Accordingly, the writ petition was heard by the Bombay High Court and the High Court disposed off the writ petition vide its Judgement dated **20.01.2023** in favor of ATSL ('Judgement'), thereby quashing and setting aside the impugned action of the Administrator and the High Court further held as follows -

1. The Final Reconstruction Scheme did not authorize the Administrator to write off AT-1 Bonds thus the Administrator was not competent to write off the AT-1 Bonds.
2. The Administrator exceeded his powers and authority in writing off AT-1 Bonds after the Bank was reconstituted on March 13, 2020.
3. The order shall not stop the Respondents viz., RBI, Yes Bank, Yes Bank Administrator to pursue an appeal before the Supreme Court of India within a time period of 6 weeks if they wish to.

Now, aggrieved by the Judgement, both Yes Bank and the RBI have separately approached the Supreme Court of India by filing Special Leave Petitions [**SLP(c) No.3713 of 2023; SLP (c) No. 4244-4253 of 2023 and SLP(c) No. 3856-3865 of 2023**] under Article 136 of the Constitution of India against the Judgement ('SLPs'). Union of India has also filed a separate Special Leave Petition SLP (L) No. 15392 of 2023 titled as "Union of India Vs. Axis Trustee Services Limited". Thereafter, one Unison Commercial Private Limited, being one of the purchasers of the bonds have also filed a Special Leave Petition seeking leave to intervene in the proceedings.

Date of Hearing	Brief update of the hearing
03.03.2023	The SLPs were listed for hearing before the Supreme Court on 03.03.2023 and the Counsel appeared on behalf of ATSL and bondholders. The Supreme Court directed the matter to be listed on 28.03.2023 for final arguments and

	granted interim stay on the judgement dated 20.01.2023 until 28.03.2023 and further directed the Respondents to file their Counter Affidavit/ replies before 28.03.2023.
28.03.2023	The SLPs were listed before the Supreme Court of India. The SLPs came before the Constitutional Bench which heard the Constitutional matter only. Thus, the regular matters including the present SLPs were not taken up for hearing. The Registry has notified the matters tentatively on 01.05.2023
19.05.2023	The SLPs were not listed for hearing after 28.03.2023. The SLPs will now be listed anytime post reopening of Supreme Court after court vacation i.e. 2 nd July 2023.
21.08.2023	Since the last update above, the matter has not been listed for hearing. The next date of hearing is September 18, 2023 (tentative).
12.09.2023	The matter was mentioned by the advocate for the Bondholders' Association. After hearing the advocate and examining the matter, the Hon'ble Bench postponed the SLPs filed by RBI and Yes Bank Limited to October 16, 2023 as a tentative date.
15.09.2023	The SLP filed by the Union of India is listed for hearing on September 18, 2023.
18.09.2023	The SLP filed by the Union of India was heard by the Supreme Court of India. The Supreme Court declined to issue notice to the Parties in the SLP filed by the Union of India. The said SLP was tagged with the other SLPs. Further, the Supreme Court directed its Registry to list the matters on October 16, 2023.