

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 (tentative) is September 18, 2023.
12.09.2023	The matter was mentioned by the advocate for the Bondholder's Association. After hearing the advocates and examining the matter, the Hon'ble Bench postponed SLPs filed by RBI and Yes Bank Limited to October 16, 2023 as a tentative date.
18.09.2023	The SLP filed by 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 other SLPs. Further, the Supreme Court directed its Registry to list the matters on October 16, 2023.
12.10.2023	The Supreme Court has tentatively postponed the matters to October 20, 2023.
18.10.2023	The Supreme Court has tentatively postponed the matters to October 30, 2023.
October 31, 2023	The Supreme Court has tentatively postponed the matters to November 10, 2023.
November 03, 2023	Our advocates have filed an Application to mention the matter on November 06, 2023, whereby the advocates will

	request the Supreme Court to hear the matter expeditiously.
November 10, 2023	The matter was not on the board of the Supreme Court of India. Since, the Supreme Court is observing Diwali vacations from October 12 to October 19. The advocates will decide the further course of action after the Court resumes.
November 24, 2023	Our advocates and another Bondholder have moved an application requesting the Supreme Court to list the matters on December 01, 2023 (which is the next tentative date). These Applications may be listed on November 28, 2023.
November 25, 2023	The Hon'ble Chief Justice of India allowed the application and directed the registry not to delete the matters from the causelist of December 01, 2023. Therefore, the matters are likely to be listed on December 01, 2023.
December 01, 2023	The matters are not listed for today. Further updates shall be published as and when they are received from our advocates.
December 04, 2023	The Supreme Court has tentatively postponed the matters to December 15, 2023.
December 13, 2023	The matters are not listed for December 15, 2023. ATSL's advocates propose to move an urgency memo to request the Supreme Court to list the matter after Court vacations (post January 01, 2024)
January 04, 2024	The next tentative date in the matter is January 29, 2024. Accordingly, ATSL's advocates shall file an urgency memo to request the Hon'ble Supreme Court not to delete the matters from the causelist of January 29, 2024.
January 29, 2024	Matter did not come up for hearing. The next tentative date of hearing is February 06, 2024. Accordingly, our advocates shall make an oral application through Senior Counsel Mr. Mukul Rohatgi so that the Bench is personally apprised of the long pendency of the issue.
February 06, 2024	Matter did not come up for hearing. The Supreme Court Registry will notify the next date of hearing of SLPs. Advocates

	will make an oral application shortly for urgent listing.
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