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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Date of Decision: 02.04.2026+ **LPA 1175/2024****RAKESH KUMAR SAINI**

.....Appellant

Through: Mr. Avadh Bihari Kaushik, Mr.
Rishabh Kumar & Mr. Abhishek
Kumar, Advocates.

versus

THE POWER FINANCE CORPORATION LTDRespondentThrough: Mr. Harish Pandey & Mr. Anshuman
Tiwari, Advocates.**CORAM:****HON'BLE THE CHIEF JUSTICE****HON'BLE MR. JUSTICE TEJAS KARIA****TEJAS KARIA, J. (Oral)****REVIEW PET. 404/2025**

1. The present Review Petition has been filed by the Appellant under Order XLVII Rule 1 read with Section 151 of the Code of Civil Procedure, 1908 (“CPC”) for review of the order dated 02.12.2024 (“Order”) passed by the learned Coordinate Bench dismissing LPA No. 1175/2024 (“LPA”) challenging order dated 07.11.2024 (“Impugned Order”) passed in W.P.(C) 12196/2024 (“Writ Petition”) filed by the Appellant. As the said bench is not available, this Review Petition is being considered by this Bench.

2. The Appellant had preferred the Writ Petition praying for quashing the action of the Respondent refusing to cancel the Bonds issued to the



Appellant *vide* letter dated 16.07.2024 and non-refund of the amount thereof. Further, the Appellant had sought direction to cancel the Bonds allotted to the Appellant *vide* letter dated 19.06.2024.

3. *Vide* the Impugned Order, the learned Single Judge had disposed of the Writ Petition by holding that the relief sought in the Writ Petition could not be granted as once the Bonds were issued to the Appellant, the rights and obligations were governed by the specific terms of the Bonds and neither party can alter the same unilaterally. Further, it was held by the learned Single Judge in the Impugned Order that the Appellant's claim for cancellation of the Bonds was based on an alleged mistake of fact and reliance on misguided financial advice with regard to exemption from the Capital Gains Tax, which did not create any enforceable right that could be adjudicated under the Writ Jurisdiction.

4. *Vide* the Order passed in the LPA, the learned Coordinate Bench dismissed the LPA by holding that the right to amend or alter the terms of the Bond was subject to stipulation of the same being acceded to by 3/4th of the Bond Holders and it would be impermissible for the Court under the Writ Jurisdiction to modify or alter the terms and conditions of the Bond.

5. The Appellant has preferred the present Review Petition on the ground that there are errors apparent on the face of the record that have crept in the Order under review as this Court did not notice that the cancellation of the Bonds was being sought by the Appellant on account of not needing to avail the Capital Gains Tax exemption from the Bond and, therefore, in the absence of any benefit availed by the Appellant, the Respondent was not



entitled to refuse the cancellation on the ground that there was no provision for premature redemption of the Bonds.

6. The Appellant has further contended that while passing the Order, this Court did not notice that there was no legal prohibition / bar against the Respondent for cancellation of the Bonds at the initial stage itself, when neither any interest had accrued and payable to the investors nor the Appellant had availed the benefit of exemption from the Capital Gains Tax.

7. The learned Counsel for the Appellant relied upon the decision of the Single Judge of this Court in *Major Amandeep Singh v. University of Delhi & Anr.* 2015:DHC:6193 to submit that in the exercise of jurisdiction under Article 226 of the Constitution of India, 1950, the High Court is empowered to grant relief even if it does not find any right in the petitioner thereto, but finds the grant of the relief being necessary to serve the ends of justice in the particular facts and circumstances.

8. We have heard the learned Counsel for the Appellant and considered the grounds raised in the present Review Petition.

9. At the outset, we are of the view that the Appellant has attempted to revisit and reargue the matter under the pretext of seeking a review of the Order. The Appellant contends that the learned Coordinate Bench, while passing the Order, failed to consider that the Appellant did not avail Capital Gains Tax exemption through the Bonds and, therefore, the Bonds were not required by the Appellant. Additionally, the Appellant asserts that there was no restriction on directing the Respondent to cancel the Bonds at an early stage. However, these assertions in the Review Petition are inaccurate as the



Order expressly notes that the Bonds included a five-year lock-in clause and that the Court cannot modify or alter the terms and conditions of the Bonds for the reasons given by the Appellant. The Order also addresses the Appellant's submission regarding their financial difficulties.

10. The Order has further concurred with the view of the learned Single Judge in the Impugned Order, which clearly discussed the scheme of Section 54EC of the Income Tax Act, 1961 ("**IT Act**") which provides as under:

"Section 54EC - Capital gain not to be charged on investment in certain bonds

(1) Where the capital gain arises from the transfer of a long-term capital asset being land or building or both (the capital asset so transferred being hereafter in this section referred to as the original asset) and the assessee has, at any time within a period of six months after the date of such transfer, invested the whole or any part of capital gains in the long-term specified asset, the capital gain shall be dealt with in accordance with the following provisions of this section, that is to say,--

(a) if the cost of the long-term specified asset is not less than the capital gain arising from the transfer of the original asset, the whole of such capital gain shall not be charged under Section 45;

(b) if the cost of the long-term specified asset is less than the capital gain arising from the transfer of the original asset, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of acquisition of the long-term specified asset bears to the whole of the capital gain, shall not be charged under Section 45:

Provided that the investment made on or after the 1st day of April, 2007 in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees.

Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees.



(2) Where the long-term specified asset is transferred or converted (otherwise than by transfer) into money at any time within a period of three years from the date of its acquisition, the amount of capital gains arising from the transfer of the original asset not charged under section 45 on the basis of the cost of such long-term specified asset as provided in clause (a) or, as the case may be, clause (b) of sub-section (1) shall be deemed to be the income chargeable under the head “Capital gains” relating to long-term capital asset of the previous year in which the long-term specified asset is transferred or converted (otherwise than by transfer) into money.

Provided that in case of long-term specified asset referred to in sub-clause (ii) of clause (ba) of the Explanation occurring after sub-section (3), this sub-section shall have effect as if for the words “three years”, the words “five years” had been substituted.

Explanation: In a case where the original asset is transferred and the assessee invests the whole or any part of the capital gain received or accrued as a result of transfer of the original asset in any long-term specified asset and such assessee takes any loan or advance on the security of such specified asset, he shall be deemed to have converted (otherwise than by transfer) such specified asset into money on the date on which such loan or advance is taken.”

11. Further, the Order has reiterated the view of the learned Single Judge in the Impugned Order that the statutory framework under Section 54EC of the IT Act seeks to ensure that the savings in the Bond result in actual, long-term capital allocation and allowing premature redemption through judicial intervention would be against the contractual terms and also contravene the statutory intent of encouraging long-term investment.

12. Accordingly, the learned Coordinate Bench has already considered the submission of the Appellant that are sought to be raised in this Review Petition concerning the non-requirement of Appellant to claim the Capital Gains Tax exemption from the Bonds leading to a request for cancellation.



13. Once a contract was entered into by accepting the terms and conditions of the Bonds, the Appellant cannot possess a unilateral right to seek cancellation or premature redemption of the Bonds in violation of those contractual terms. Consequently, the Appellant was not entitled to invoke the Writ Jurisdiction of this Court to seek directions against the Respondent for cancellation or redemption of the Bonds inconsistent with the agreed terms and conditions.

14. In view of the above, we find that the learned Single Judge *vide* Impugned Order as well as the learned Coordinate Bench *vide* the Order have already examined all the arguments and concluded that no case was made out by the Appellant on merits for granting any relief as sought in the Writ Petition as well as the LPA.

15. The reliance placed on the decision of *Major Amandeep Singh (supra)* by the Appellant is misplaced in the facts and circumstances of the present case as there is no cavil that this Court has power to grant relief to serve the ends of justice in the peculiar facts and circumstances of each case, however, there must be a need to grant such relief in the interest of justice. The Appellant has not made out any case whatsoever on merits for grant of the relief as sought by the Appellant as no ends of justice would be served by granting such relief contrary to the terms and conditions of the contract agreed to by the Appellant at the time of issuance of the Bonds. The Appellant has no right to renege from the agreed terms unilaterally at his whim and fancy by citing the ground of ill-advice. The Appellant is liable to be vigilant of his rights and cannot seek unilateral modification of the terms



of the contract. Accordingly, there was no arbitrariness or perversity in refusal by the Respondent to cancel / premature redeem the Bonds.

16. Hence, we are of the opinion that no case is made out by the Appellant for reviewing the Order as there is no error apparent on the face of the record that has been committed while passing the Order under review in this Review Petition.

17. It is a settled law that the scope of review is extremely limited and under the guise of review, the Appellant cannot be permitted to re-agitate and re-argue the issues that are conclusively decided.

18. The Respondent has relied upon the following cases in support of its submission that the power to review cannot be exercised as an appellate power and has to be strictly confined to the scope and ambit of Order XLVII Rule 1 of the CPC and the error on the face of the record must be such an error, which upon merely looking at the record should strike and it should not require any long drawn process of reasoning on the points where there may conceivably be two opinions. Further, it is not permissible for an erroneous decision to be 're-heard and corrected' in a review petition, which is not an appeal in disguise.

- *Sajjan Singh. v. State of Rajasthan* (1964) SCC OnLine SC 25;
- *Arun Dev Upadhyaya v. Integrated Sales Service Limited & Anr.*, 2023 INSC 610; and
- *Parsion Devi and Others v. Sumitri Devi and Others* (1997) 8 SCC 715.



19. In view of the above, it is clear that the amount of ₹48,00,000/- invested by the Appellant in the Bonds issued by the Respondent on 19.06.2024 clearly had the lock-in period of 5 years and, therefore, the Appellant cannot seek cancellation and refund of the invested amount within a period of one month from the issuance of the Bond Certificates. The contention of the Appellant that the Appellant was wrongly advised about the exemption from the Capital Gains Tax under Section 54EC of the IT Act cannot be the ground for seeking cancellation / premature redemption of the Bonds.

20. Further, the contention that no prejudice would be caused to the Respondent cannot be the basis for exercising the Writ Jurisdiction in a purely contractual matter. In fact, if the relief as sought by the Appellant in the Writ Petition is granted by directing premature redemption contrary to the terms and conditions of the contract at the time of issuance of the Bonds, it would result in severe financial distress causing grave prejudice to the Respondent.

21. The Impugned Order passed in the Writ Petition as well as the Order passed in the LPA have extensively considered all the arguments of the Appellant and finally concluded that there was no merit in the contentions of the Appellant. Hence, there is no error apparent on the face of the record while passing the Order requiring any exercise of the power to review, which itself has a very narrow compass, as discussed above.

22. In view of the above analysis, we find that there is no error or infirmity in the Order. The present Review Petition cannot be converted into



a re-hearing of the LPA merits or an appeal in disguise against the Order passed by the learned Coordinate Bench. Accordingly, the present Review Petition is liable to be dismissed being without any merit.

23. As a result, the Review Petition stands dismissed. There shall be no order as to costs.

TEJAS KARIA, J

DEVENDRA KUMAR UPADHYAYA, CJ

APRIL 2, 2026/sms