

UNREPORTED

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

+ CO.APP. 19/2006

% Date of Decision: 5th February, 2008

ESCORTS FINANCE LTD. Appellant
Through: Mr. A.S. Chandhiok, Sr. Advocate with
Ms. Geetika Panwar and Mr. Simran Mehta,
Advocates

versus

ESCORTS LIMITED Respondent
Through: Mr. Ramesh Babu and Mr. Srinjoy Banerjee,
Advocates for Reserve Bank of India

CORAM:
HON'BLE THE CHIEF JUSTICE
HON'BLE MS. JUSTICE REVA KHETRAPAL

1. Whether reporters of local papers may be allowed to see the judgment?
2. To be referred to the Reporter or not?
3. Whether judgment should be reported in Digest?

JUDGMENT

% **05.02.2008**

: **DR. MUKUNDAKAM SHARMA, C.J. (ORAL)**

1. We have heard the learned counsel for the appellant as also the counsel appearing for the Reserve Bank of India on this appeal, which is filed against the observation made by the learned Single Judge in paragraph 24 of the order dated 17th March, 2006. By the said order, the petition of the companies in question, that is, Escorts Limited and Escorts Finance Limited for the scheme for amalgamation was being considered by the learned Single Judge. While passing orders on that petition, an order was passed that so far the civil suits and criminal cases which are pending against the petitioners in the company petition, order for

stay of those proceedings cannot be ordered, but liberty was granted by the learned Single Judge to the transferor company to make a request for adjournment in the Courts where proceedings are pending with an observation that if any such request is made, the same would be examined and decided by the said courts on merits.

2. On perusal of the records, we find that so far the first motion is concerned, orders have been passed in respect of the same and now the matter is pending on second motion before the learned Single Judge, who is hearing the matter. Since the parties are before the Company Judge on second motion in respect of the scheme for amalgamation, it would be necessary for the Company Judge to pass orders as deemed fit and proper on the second motion in the matter pending before him. There are certain recovery proceedings pending against the transferor and transferee company which are initiated before the consumer forums, besides criminal complaints which have also been filed by the depositors. Those cases are mostly pending outside Delhi. The learned Single Judge declined to stay the proceedings in those matters as the same would have cause inconvenience to the depositors and also unnecessary delay in the proceedings, but a liberty was granted to the transferor company to make a request for adjournment in the courts where those proceedings are pending.

3. Upon hearing the counsel for the parties, we observe that since a second motion is pending for consideration, if and when request for adjournment is made in the courts where the aforesaid proceedings are pending, the said prayer could be granted and the matter could be adjourned pending final decision of the second motion pending before the learned Company Judge. If and when request for adjournment is made in the execution proceedings in the consumers courts where some of the aforesaid proceedings are also pending, the said prayer could be

granted and the matter could be adjourned pending final decision of the second motion pending before the learned Company Judge.

4. In terms of the aforesaid order, the appeal stands disposed of.

CHIEF JUSTICE

REVA KHETRAPAL, J

FEBRUARY 05, 2008
km