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

% *Date of Decision: 30th September, 2021*

\+ LPA 217/2021 & CM APPL. 23607/2021 (Interim relief)

LIGARE AVIATION LIMITED & ANR. ..... Appellants
Through Mr. Gauri Shanker Saikumar, Advocate

versus

RESERVE BANK OF INDIA & ORS. ..... Respondents
Through Mr. Krishendu Datta, Senior Advocate with Ms.Anindita Roy Chowdhury and Ms.Vatsala Rai and Mr.Rajkanwar Singh Kumar, Advocates for Respondent No.1/RBI.
Mr.Arjun Krishnan, Ms.Khushboo Mittal and Mr.Kaustav Som, Advocates for R-2/Yes Bank.

CORAM:
HON'BLE THE CHIEF JUSTICE
HON'BLE MS. JUSTICE JYOTI SINGH

JUDGMENT

D.N. PATEL, CHIEF JUSTICE (ORAL)

Proceedings have been conducted through video conferencing.

1. Learned counsel appearing on behalf of the Appellants fairly submits that it would suffice for the disposal of this appeal if Appellants are allowed to open an Escrow Account with Respondent No.2/ Yes Bank for purposes of meeting statutory dues, taxes, operational expenses with the balance to be utilised for payment of dues of Yes Bank, as mentioned in para 13 of the short affidavit filed by Respondent No.2.

2. It is submitted by learned counsel appearing for the Appellants that the Appellants are willing to open an **Escrow Account** with Respondent No.2/ Yes Bank for the aforesaid purposes in accordance with para 13 of the short affidavit.

3. Learned counsel appearing on behalf of Respondent No.2 does not have any objection if the Appellants make an application to the Bank for opening of an **Escrow Account** with Respondent No.2/ Yes Bank for the purposes of meeting **statutory dues, taxes and operational expenses with the balance to be utilised for the payment of dues of the Respondent No.2/ Yes Bank**.

4. In view of this submission, we grant liberty to the Appellants to take necessary steps for opening an **Escrow Account** with Respondent No.2/ Yes Bank, subject to their complying with the conditions mentioned in the affidavit of Respondent No. 2, in para 13, i.e., the account shall be for the purpose of meeting **statutory dues, taxes and operational expenses with the balance to be utilised for the payment of dues of the Respondent No.2/Bank**.

5. We, however, direct the Appellants to give proof of operational expenses to Respondent No.2/Yes Bank and also to comply with the provisions of Circular issued by Reserve Bank of India bearing **No. RBI/2020-21/20 DOR.No.BP.BC/7/21.04.048/2020-21** dated **06.08.2020**, as clarified by subsequent Circulars issued by Reserve Bank of India bearing **No.RBI/2020-21/62 DOR.No.BP.BC.27/21.04.048/2020-21** dated **02.11.2020**; **No.RBI/2020-21/79 DOR.No.BP.BC.30/21.04.048/2020-21** dated **14.12.2020** and Circular bearing **No.RBI/2021-22/77 DOR.CRE. REC.35/21.04.048/2021-22** dated **04.08.2021**, in letter and spirit.

6. The opening of the **<u>Escrow Account</u>** for the aforesaid purposes and with the aforesaid conditions as well as compliance with the RBI Circulars including furnishing of proof of the operational expenses, as directed above, needless to state, shall be without prejudice to the rights and contentions of the respective parties to the *lis*.

7. This appeal along with pending application is accordingly disposed of as not pressed at this stage, with the aforesaid direction.

CHIEF JUSTICE

JYOTI SINGH, J

SEPTEMBER 30, 2021
pst