



\$~31

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

+ **CONT.CAS(C) 1179/2022**

IDBI TRUSTEESHIP SERVICES LIMITED Petitioner

Through: Mr. Viraj Datar, Senior Advocate
with Mr. Atul Sharma, Ms. Renuka
Iyer, Ms. Kashish Narang and Mr.
Anand S. Senger, Advocates.

versus

**ASIAN SATELLITE BROADCAST PRIVATE LIMITED AND
ORS** Respondents

Through: Mr. Jaiveer Kant, Advocate.

CORAM:

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

% **23.12.2022**

CM APPL. 56313/2022

1. This Court on 03.11.2022 has returned a finding that the Respondents have *prima facie* acted in violation of the subsisting interim orders dated 17.12.2021 and 20.04.2022 passed by the Debt Recovery Tribunal('DRT'), by issuing the letter dated 12.09.2022.
2. The subject matter of contempt are 13,50,00,000 Warrants, convertible into or exchangeable for 1 (one) fully paid-up equity share against each Warrant, of the Zee Media Corporation Limited in favour of the Respondent No. 1. It is stated that the said Respondent No. 1 has in violation of the subsisting interim orders of DRT, sought to transfer the said Warrants to a related party.
3. Notice was issued on 03.11.2022 in the matter and it was next posted for hearing on 06.12.2022 for the reply of the Respondent. However, no reply to the petition has been filed by the Respondent despite service of



notice.

4. The matter could not be taken up on 06.12.2022.

5. The present application has been filed making a grievance that the Respondents have elected not to file any reply to the contempt petition, within the time granted by the Court. It is further stated in the application that the Respondent should be immediately restrained from acting in wilful contempt, by way of creating any third-party interest over the Warrants, in question.

6. Issue notice. Mr. Jaiveer Kant, Advocate, enters appearance and accepts notice on behalf of the Respondents. He admits that no reply of the Respondents has been filed to the petition.

7. He states that the Respondents have instead filed an application (CM 52784/2022) on 03.12.2022, in which they have raised a plea that since the Petitioner herein has the remedy of invoking the mechanism of Section 19 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (RDDDB Act), the proceedings for contempt are not maintainable.

8. This Court has heard the parties.

9. The contempt, which is complained of in the present proceedings is with reference to the letter dated 12.09.2022 addressed by Respondent No.1 to the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE') informing the BSE and NSE of an *inter-se* transfer of the said 13,50,00,000 Warrants in favour of Elitecast Media Limited, by way of an off-market transfer amongst the promoter group.

10. Learned senior counsel for the Petitioner states, that as on date, the said transfer of Warrants has not been given effect to by BSE and NSE. He, therefore, prays that in order to prevent any further violation of the interim



orders passed by the DRT, the operation of the said letter dated 12.09.2022 should be stayed.

11. On a query put forth to learned counsel for the Respondent with respect to the status of the implementation of the transfer of Warrants contained in the said letter dated 12.09.2022, he states that he has no instructions with respect to the current status of transfer.

12. The learned senior counsel for the Petitioner has drawn this Court's attention to the prayer 7(e) made by the Petitioner before the DRT which reads as under: -

"(e) Pass an ex-parte ad-interim order thereby restraining Defendant no.3 to 12, assignors, representatives, servants, and agents directly or indirectly from creating any charge or dealing, disposing of, alienating and/or transferring all remaining pledged shares and any of their other property, movable and/or immovable properties. "

He states that the DRT by its order dated 17.12.2022 allowed injunction in terms of the prayer 7(e). He further states that on 20.04.2022 the Petitioner herein had duly brought to the attention of the DRT that there is apprehension that Respondent shall act in violation of order dated 17.12.2021 and dispose of or create third party interest over the Warrants subsequently issued by Zee Media Corporation Ltd. He states that DRT after taking note of the submission of the Petitioner, once again directed the Respondent to maintain status quo in compliance with the order of DRT dated 17.12.2021. He states that the letter dated 12.09.2022 seeking to transfer the Warrants to a group company is therefore in gross violation of the said orders.

13. He states that since the Respondent has elected not to file any reply to



the present contempt petition, this court may direct the Respondents to make a statement that they shall not act on the letter dated 12.09.2022 and not create any further third-party rights. However, the learned counsel for the Respondent has stated that he has no instructions in the matter.

14. This Court has perused the application filed by the Respondent No. 1 i.e. CM APPL. 52784/2022. In the said application the Respondents have not responded to the contempt petition on merits and have not disputed the averments therein with respect to the existence of the interim orders of DRT restraining the Respondent no. 1 from transferring the Warrants.

15. In the aforesaid facts, since the Respondent No. 1 was admittedly, restrained from transferring the Warrants issued in its favour, transfer of the said Warrants to a third-party is *prima facie* in violation of the interim orders. The non-filing of the reply to the petition and the lack of instructions with the counsel for the Respondent, constrains this Court to pass necessary orders for preserving the Warrants to prevent the Respondents from continuing to violate the interim orders of DRT.

16. It is therefore, directed that *status quo* as on 23.12.2022 shall be maintained with respect to the 13,50,00,000 Warrants, which are the subject matter of the letter dated 12.09.2022. No transfer of the said Warrants shall be recorded in favour of Elitecast Media Limited in furtherance of the letter dated 12.09.2022, if the said letter has not been given effect to.

17. A copy of this Order shall be furnished by the Petitioner to Bombay Stock Exchange Limited and National Stock Exchange Limited for giving effect to this order.

18. Learned counsel for the Respondent seeks further two weeks' time to file reply to the petition. Rejoinder, if any, be filed two weeks thereafter.



19. A copy of this order be uploaded on the website of the High Court.
20. List on 23.03.2023, the date already fixed.

MANMEET PRITAM SINGH ARORA, J

DECEMBER 23, 2022/msh/asb