



\$~2-4 (Spl. Bench)

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

+ W.P. (C) 3969/2024

RASHMIKANT D. KUNDALIA Petitioner

Through: Mr. Jayant Mehta, Sr. Adv.
with Ms. Niyati Kohli, Mr.
Rishabh Parikh, Mr. Parth Bhatt
& Mr. Jeet Bhatt, Advs.

versus

UNION OF INDIA & ANR. Respondents

Through: Ms. Shiva Lakshmi, CGSC
along with Ms. Saloni Narayan,
Mr. Arani Chaudhuri and Ms.
Vratika Mittal, Advs. for UOI.

Mr. Zoheb Hossain, Mr. Vivek
Gurnani, Mr. Vivek Gaurav,
Ms. Abhipriya & Ms. Radhika
Puri, Advs. for NFRA.

3

+ W.P. (C) 3970/2024

RAMESH CHATURVEDI Petitioner

Through: Mr. Shivam Shukla & Ms.
Anjali Upadhyay, Advs.

versus

UNION OF INDIA & ANR. Respondents

Through: Mr. Ravi Prakash, CGSC with
Mr. Astu Khandelwal, Adv. for
UOI.

Mr. Zoheb Hossain, Mr. Vivek
Gurnani, Mr. Vivek Gaurav,
Ms. Abhipriya & Ms. Radhika
Puri, Advs. for NFRA.



4

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W.P. (C) 3971/2024

D.N. CHATURVEDI

..... Petitioner

Through: Mr. Shivam Shukla & Ms.
Anjali Upadhyay, Advs.

versus

UNION OF INDIA & ANR.

..... Respondents

Through: Mr. Asheesh Jain, CGSC with
Mr. Gaurav Kumar, Adv. & Mr.
Rishav Dubey, Govt. Pleader
for UOI.

Mr. Zoheb Hossain, Mr. Vivek
Gurnani, Mr. Vivek Gaurav,
Ms. Abhipriya & Ms. Radhika
Puri, Advs. for NFRA.

CORAM:

HON'BLE MR. JUSTICE YASHWANT VARMA

HON'BLE MR. JUSTICE DHARMESH SHARMA

ORDER

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15.03.2024

C M APPL. 16271/2024 (Ex.) in WP(C) 3969/2024

C M APPL. 16273/2024 (Ex.) in WP(C) 3970/2024

C M APPL. 16275/2024 (Ex.) in WP(C) 3971/2024

Allowed subject to just exceptions.

Applications stand disposed of.

WP(C) 3969/2024 & C M APPL. 16270/2024 (Stay)

WP(C) 3970/2024 & C M APPL. 16272/2024 (Stay)

WP(C) 3971/2024 & C M APPL. 16274/2024 (Stay)

1. Notice. Since respondent nos. 1 and 2 are represented by learned counsels, let a reply be filed within a period of three weeks from today. The petitioner shall have two weeks therefrom to file a rejoinder affidavit.



2. We have heard Mr. Mehta, learned senior counsel appearing in support of the writ petitions as well as Mr. Hossain, who appears for the National Financial Reporting Authority [**'NFRA'**]. While we are conscious of a batch of writ petitions, lead matter being W.P.(C) 1065/2021, in which the validity of Section 132(4) of the Companies Act 2013 [**'Act'**] as well as Rules 3, 10 and 11 of the NFRA Rules, 2018 [**'2018 Rules'**] are under challenge and on which substantial arguments have been concluded, we note that insofar as the present writ petitions are concerned, they also assail the validity of final orders which were passed as far back as on 29 September 2023.

3. We are further apprised by Mr. Hossain of the order dated 11 March 2024 passed on the statutory appeal which has been preferred by the writ petitioners and is posted before the National Company Law Appellate Tribunal [**'NCLAT'**] on 18 March 2024.

4. According to Mr. Mehta, the petitioners were constrained to approach the NCLAT in light of the peremptory language in which Section 421 of the Act stands couched and the fact that the question of validity of Section 132(4) of the Act and the aforementioned 2018 Rules is yet to be finally ruled upon by this Court.

5. Notwithstanding the above, we are of the considered opinion that the writ petitioners cannot be allowed to pursue parallel remedies. We accordingly take on board the statement of Mr. Mehta that the writ petitioners here shall make an appropriate prayer before NCLAT for the appeals being adjourned sine die awaiting the outcome of the decision to be rendered by this Court on WP(C) 1065/2021 and the connected batch of writ petitions. We only observe that in case such a prayer is made, the NCLAT shall adjourn the hearing on the appeals and await the outcome of the writ petitions.



6. Insofar as the prayer for placing the impugned orders dated 29 September 2023 in abeyance is concerned, we note that the orders had already come into effect on 29 October 2023 and have thus held the field since then.

7. In view of the aforesaid, we find no justification to place the order of debarment in abeyance. However, we in the interim, absolve the writ petitioners of the obligation to pay the monetary penalty as imposed in terms of the impugned orders till the next date of listing.

8. Let these writ petitions now come up on 24.05.2024.

YASHWANT VARMA, J.

DHARMESH SHARMA, J.

MARCH 15, 2024/RW