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

+ **W.P.(C) 8249/2024 & CM APPL. 33970-33971/2024**

PRAMOD GOYAL

..... Petitioner

Through: Mr. Ravi Gupta, Sr. Adv. with Mr.
Ankit Jain, Ms. Apurva Tyagi, Ms.
Muskan Mehra and Mr. Aditya
Chauhan, Advs.

versus

**SECURITIES AND EXCHANGE BOARD OF INDIA
& ORS.**

..... Respondents

Through: Mr. Ashish Aggarwal, Adv. for R-1.

CORAM:

HON'BLE MS. JUSTICE MINI PUSHKARNA

ORDER

30.05.2024

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CM APPL. 33970/2024 (For Exemption)

1. Exemption allowed, subject to just exceptions.
2. Application is disposed of.

W.P.(C) 8249/2024 & CM APPL. 33971/2024

3. The present petition has been filed seeking directions to the respondent no.1-Securities and Exchange Board of India ("SEBI") constituted under the Securities Exchange Board of India Act, 1992 ("SEBI Act") to reject the draft Red Herring Prospectus dated 18th April, 2024, filed by respondent no.4-RCRS Innovations Limited ("the Company") for its Initial Public Offer ("IPO"), as the same is replete with material omissions and blatant misstatements intended to mislead the public into investing into its shares.



4. Learned Senior Counsel appearing for the petitioner submits that the Management, Director and Promoters of respondent no. 4 have been knowingly and deliberately misleading the general public at large using false information to play fraud upon the public for the purposes of monetary gain.

5. It is submitted that the respondent no.4- Company has filed the said draft Red Herring Prospectus dated 18th April, 2024 for a public issue of 48,24,000 equity shares, of face value of ₹10/- each.

6. It is submitted that in the said document the respondent no.2 has stated that its registered office is at *12-A/49, G/F, Khasra No. 1/127, Akhary Wali Gali, Chauhan Bangar, Delhi-110053*.

7. It is further stated in the said Prospectus that the aforesaid registered office has been taken on lease from Smt. Chander Kala Goyal for a period of eleven months and is valid up-till 14th November, 2024 at a monthly rent of ₹5000/- per month.

8. It is submitted that the aforesaid registered office forms a part of the land admeasuring 2584 Sq. Yds. in *Khasra No. 1/127, Chauhan Bangar, Delhi-110053*. It is further submitted that as per the Prospectus of the said company, its address was changed to the aforesaid address with effect from 13th December, 2023.

9. Learned Senior Counsel appearing for the petitioner submits that the petitioner herein had filed a suit for recovery of possession and other reliefs in relation to the land admeasuring 2584 Sq. Yds. falling in *Khasra no. 1/127, Chauhan Bangar, Delhi-110053*, being *CS (OS) No. 3971/2014*, wherein, Smt. Chander Kala Goyal, who is a Promoter Group of respondent no.2-Company, had been impleaded as respondent no.3.

10. It is submitted that in the said suit, she has alleged ownership of the



said land. As per the Prospectus, respondent no.2 had taken aforesaid registered office on lease from Smt. Chander Kala Goyal for a period of eleven months with effect from 13th December, 2023 which is valid up-till 14th November, 2024. It is submitted that the Promoters of the respondent no.4 have deliberately given a wrong address of the registered office, which was on the plot of the land, upon which this Court had already directed *status quo* to be maintained. Thus, the said Smt. Chander Kala Goyal could not have leased out the said property for eleven months.

11. Learned Senior Counsel also agitates other grounds, as detailed in the petition.

12. Issue notice. Notice is accepted by learned counsel appearing for respondent no.1.

13. Let notice be issued to respondent nos. 2 to 8 by all modes, including *dasti*.

14. Learned counsel appearing for respondent no.1 raises objection to the maintainability of the present petition and locus of the present petitioner, on the ground that the petitioner is a private person. He submits that the petitioner is trying to settle private disputes by way of the present petition, which cannot be allowed.

15. He further submits that the present petition is premature, as the draft Red Herring Prospectus submitted by respondent no.4, is still under consideration of the respondent no. 2, which can be finalized only after following the due process.

16. At this stage, learned Senior Counsel appearing for the petitioner draws the attention of this Court to *Annexure P-25*, to submit that the IPO may go public in the middle of June, 2024. Thus, he expresses urgency in



the matter.

17. In view of the urgency expressed by learned Senior Counsel appearing for the petitioner, re-notify on 07th June, 2024, before the Vacation Bench.

MINI PUSHKARNA, J

MAY 30, 2024/kr