

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
WRIT PETITION NO. 5323 OF 2022**

Chaturvedi & Shah LLP	...Petitioner
<i>Versus</i>	
National Financial Reporting Authority	...Respondent

**WITH
WRIT PETITION NO. 1399 OF 2023
WITH
INTERIM APPLICATION (L) NO. 15607 OF 2023
IN
WRIT PETITION NO. 1399 OF 2023
WITH
INTERIM APPLICATION (L) NO. 14912 OF 2023
IN
WRIT PETITION NO. 1399 OF 2023**

SMMP & Company	...Petitioner
<i>Versus</i>	
National Financial Reporting Authority	...Respondent

**WITH
WRIT PETITION NO. 5326 OF 2022
WITH
WRIT PETITION NO. 119 OF 2022**

Chaturvedi & Shah LLP	...Petitioner
<i>Versus</i>	
National Financial Reporting Authority	...Respondent

Mr Zal Andhyarujina, Senior Advocate, Rohan Mahadik, Amit Ashok Kamble, Maithili Parikh, Rachana Karad, i/b The Juris Partners Advocate, for the Petitioners in all the Petitions.

Mr Rahul Narichania, Senior Advocate, Rohan Mahadik, Amit Ashok Kamble, Rachana Karad, i/b The Juris Partners Advocates, for the Petitioner in WP/1399/2023 with IA(ST)/14912/2023 with IA(ST)/15607/2023.

Mr Anil Singh, ASG, with Aditya Thakkar, Ashish Mehta & Aarya More, i/b Ethos Legal Alliance, for the Respondents in all Petitions.

**CORAM G. S. Patel &
 Neela Gokhale, JJ.**
DATED: 13 June 2023

PC:-

1. All these Writ Petitions challenge first and foremost the jurisdiction of the National Financial Reporting Authority (“NFRA”) established *inter alia* under Section 132(1) of the Companies Act, 2013. The Authority came into existence, we are told, sometime in October 2018. In these various Petitions, it has exercised its power and called for the submission of audit documents, reports and materials from various individuals and entities who served or were engaged as auditors for a number of corporate entities under investigation. The NFRA in essence regulates the work of auditors for corporate entities.

2. Before us are presented in some of the Petitions the argument that the NFRA has no ‘jurisdiction’ to act in respect of matters that preceded its establishment. One of the Petitions says as its principal prayer that NFRA should be directed to decide the jurisdictional challenge as a preliminary issue and should allow the Petitioners before us legal representation because jurisdiction is a technical legal argument.

3. On instructions, Mr Singh, learned ASG states that there is no difficulty in allowing legal representation. He states that the Authority will decide all issues, including jurisdiction.

4. It appears to us logical that the issue of jurisdiction will be decided first because if the NFRA ultimately holds that it does not have jurisdiction, then obviously further decisions will be neither permissible nor necessary. If the NFRA on the other hand holds that it has jurisdiction, then it cannot be expected to stop at that. It must then proceed to decide all other issues and return final findings.

5. Mr Narichania for the Petitioners in Writ Petition No. 1399 of 2023 says that the Petitioners there are facing a show cause notice requiring compliance by 26th June 2023.

6. Mr Singh states that in view of this order and the pendency of the Writ Petitions the show cause notice dated 23rd May 2023 will have its compliance date extended by a further period of four weeks

after 26th June 2023, i.e., until 26th July 2023. The statement is noted and accepted.

7. We take the liberty of issuing a direction identical to that which we would have issued at the hearing on jurisdiction being before us rather than the Authority. The direction is that all Petitioners must coordinate between themselves to present their arguments on one day together on the jurisdictional issue. It seems to us unworkable to expect the Authority to hear the same argument on jurisdiction repeatedly. How the submissions are to be divided between the parties and their counsel is a matter left to them but the scheduling by the Authority should ideally be in such a way that the jurisdictional point is on one day when all counsel for all matters can be heard. Thereafter a different schedule can be set for the facts for the individual cases that follow thereafter, if necessary, i.e., if the authority finds that it does have jurisdiction.

8. No further directions appear to us to be necessary except to clarify that we have not returned any finding on the rival contentions. All contentions are expressly kept open.

9. The Petitions are disposed of in these terms. No order as to costs.

10. We clarify that we do not expect the order on jurisdiction to be passed first unless the Authority finds in favour of the present Petitioners in which case it will be the only order to be passed.

11. All pending Interim Applications are disposed of accordingly.
12. All the interim orders stand vacated.

(Neela Gokhale, J)

(G. S. Patel, J)