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

\+ CO.APP. 33/2024, CM APPL. 68032/2024, CM APPL. 68033/2024 & CM APPL. 68034/2024

ANIL KUMAR CHANDRA PRAKASH SHAH

.....Appellant

Through: Mr. Sidharth Agarwal, Senior Advocate with Mr. Sanjay Abbot, Mr. SIdhant Kumar, Ms. Savi Abbot & Mr. Om Batra, Advocates.

versus

SECURITIES AND EXCHANGE BOARD OF INDIA & ORS.

.....Respondent

Through: Mr. Pratap Venugopal, Senior Advocate with Mr. Abhishek Baid & Mr. Praneet Das, Advocates for R-1.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MS. JUSTICE SWARANA KANTA SHARMA

ORDER

% **22.11.2024**

1. The appellant has filed the present appeal, *inter-alia*, praying as under:

> "A. Allow the present appeal and set aside the impugned orders dated 14.05.2024 and 02.08.2024 passed by the Hon'ble Company Court in C.A. No. 737/2021 in C.P. No. 379/2009 in the facts and circumstances set out herein;
>
> B. Pass an order of injunction restraining the Hon'ble Company Court from proceeding with C.A. No. 737/2021 filed by Respondent No. 3 without first

determining the locus standi of the Respondent No. 3 viz a vis CRB Trustees Limited; and

C. Pass such further or other orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case."

2. The impugned order dated 14.05.2024, in effect issues notice on an application filed by the Securities and Exchange Board of India (hereafter *SEBI*), being C.A. No. 506/2024. The Court issued directions for the pleadings to be completed and listed the matter for final hearing on 29.05.2024. In view of the above, the prayer made by the appellant, in effect seeks to interdict the learned Court from hearing the application filed by SEBI. Plainly, this appeal is misconceived irrespective of the appellant's contention regarding the merits or maintainability of SEBI's application. The conclusion that the learned Company Court should not hear the same is without merit. There are no grounds whatsoever, to interdict the learned Company Court from considering the application filed by the SEBI.

3. The appellant has also impugned an order dated 02.08.2024, which had directed SEBI to file an affidavit in respect of certain aspects. Mr. Sidharth Agarwal, learned senior counsel appearing for the appellant drew this Court's attention to paragraph no. 5 of the said order. According to him, the said directions are liable to be set aside. Paragraph No. 5 of the order dated 02.08.2024 is set out below:

"5. SEBI is directed to place before the Court, an affidavit detailing the following aspects by 10th September 2024:-

(i) The manner in which SEBI would deal with the depositors/investors, whose claims may have been rejected by the Special Committee,

(ii) The manner in which it would deal with the

> depositors/investors, who may file further claims or whose claims are still pending.
>
> (iii) The manner in which the funds deposited with the worthy Registrar General would be utilized, if transferred to SEBI, and the Registrar and Transfer agents ('*RTA*') or any other organisation, which would be in charge of the same."

4. It is contended by Mr. Agarwal that these directions were issued on the basis that the earlier orders appointing a Special Committee had been set aside. However, he does not dispute that the term of the Special Committee has come to an end, and the application filed earlier, seeking extension of the term of said committee, was rejected.

5. The matter relates to the winding up of a CRB Mutual Fund. The directions issued to SEBI to place on record as to how it will proceed in the matter is clearly not determinative of any issue as yet. The contention that since a Special Committee was appointed by the Court, for liquidation of the funds, precludes the learned Company Court from considering appointing SEBI to complete the task and examine the claims of depositors, is ill founded.

6. This Court is also informed that the arguments of SEBI on its application have been heard, and the said application has been listed for hearing on 30.11.2024 with the consent of counsel. The order dated 27.09.2024 passed by the learned Company Court, which has not been placed on record by the appellant, is reproduced below:

> "1. This hearing has been done through hybrid mode.
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> 2. These matters are being heard from time to time. Due to the present Roster, the Court has suggested to counsels to make their submissions on

a Saturday. Ld. Senior Counsels and counsels have no objection.

3. Accordingly, list on 30th November, 2024 for hearing.

4. These are part-heard matters."

7. It is apparent from the above that the learned counsel for the parties had agreed to a final disposal of the application, and the matter had been listed on a Saturday, with the consent of the learned senior counsel appearing for the parties. In the circumstances, we are unable to appreciate the conduct of the appellant moving this application without disclosing the said order.

8. We find no ground to interfere with the impugned orders, at this stage.

9. The appeal is accordingly dismissed along with pending applications, with costs quantified at ₹1,00,000/-, to be deposited with the Delhi High Court Legal Services Committee, within two weeks from date.

VIBHU BAKHRU, J

SWARANA KANTA SHARMA, J

NOVEMBER 22, 2024/*at*

Click here to check corrigendum, if any