



2026:DHC:8523



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

% ***Date of Decision: September 28th, 2026***

CNR No. DLHC010142702021

+ **W.P.(C) 4029/2021**

SUNIL KUMAR CHAUDHARY

.....Petitioner

Through: Mr. Akshay Srivastava and
Mr. Suryansh Vashisth,
Advocates.

versus

INSTITUTE OF COMPANY SECRETARIES OF INDIA

& ANR.

.....Respondents

Through: Ms. Maitreya Mahaley and
Mr. Hardik Jain, Advocates for
R1.
Mr. Rakesh Kumar, Mr. A
Mishra and Mr. Nidish Gupta
Advocates for R2.

CORAM:

HON'BLE MR. JUSTICE AMIT MAHAJAN

AMIT MAHAJAN, J. (Oral)

1. The present petition has been filed challenging the order dated 17.01.2020 (hereinafter '**impugned order**'), passed by the Board of Discipline of the Institute of Company Secretaries of India exonerating Respondent No. 2 - Mr. Mast Ram Chechi in respect of the allegations of misconduct under Section 21 of Company Secretaries Act, 1980 read with Rule 3(1) of the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 made against him, by the Petitioner.

2. Briefly stated, the petitioner filed a complaint against



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Respondent No. 2 alleging, *inter alia*, that the Respondent, while acting as a Company Secretary and legal advisor to Shri Tejinder Singh Bhatia, had facilitated the fabrication of share-transfer documents, misrepresented the shareholding of M/s Ocean Security Guards Pvt. Ltd. before the Economic Offences Wing, Chandigarh, and acted in conflict of interest. It was alleged that the Respondent had wrongly stated before the EOW that Shri Tejinder Singh Bhatia and Shri Bhagat Singh were the two shareholders of the Company, despite the audited balance sheet showing the petitioner as one of the shareholders, and had thereby committed professional misconduct.

3. The Director (Discipline), recorded that contradictory documents existed regarding the ownership and transfer of 5,000 shares, also observed that the Respondent had acted as legal advisor to Shri Tejinder Singh Bhatia and had made a statement before the EOW regarding the Company's shareholding. However, the Director (Discipline) held that the question regarding ownership of the disputed shares, as well as the allegation of forgery, remained pending before the learned National Company Law Tribunal ('NCLT') and could not be conclusively determined in the disciplinary proceedings. Consequently, it was opined that the Respondent could not, at that stage, be held guilty of professional or other misconduct.

4. The Board of Discipline, in its meeting dated 17.01.2020, agreed with the *prima facie* opinion of the Director (Discipline) and held the Respondent not guilty of professional or other misconduct, primarily on the ground that the dispute regarding the disputed shareholding was pending before the learned NCLT. The petitioner was left at liberty to



file a fresh complaint in the event of any adverse finding against the Respondent by the learned NCLT.

5. The learned counsel for the petitioner submits that the Disciplinary Board erred in holding Respondent No.2 not guilty merely because proceedings concerning the Company were pending before the learned NCLT. The disciplinary proceedings concerned the independent question of Respondent No.2's professional conduct and could not be made dependent upon the outcome of the proceedings before the learned NCLT.

6. He submits that the Director (Discipline) itself recorded that Respondent No.2 had acted as legal advisor to Shri Tejinder Singh Bhatia, had made a statement before the EOW contrary to the audited balance sheet showing the Petitioner as a shareholder, and had failed to disclose the authority or material on the basis of which he had examined the Company's records. He submits that these issues warranted independent consideration as professional misconduct, irrespective of the pending NCLT proceedings, and the Board erred in closing the complaint merely on that ground. He submits that the Board also failed to independently consider these findings and merely agreed with the *prima facie* opinion of the Director (Discipline).

7. *Per Contra*, the learned counsel appearing for the respondent vehemently opposed the present petition. He submits that no grounds have been raised by the petitioner so as to warrant exercise of extraordinary jurisdiction under Article 226 of the Constitution.

8. I have heard arguments and perused the record.

9. The grievance of the Petitioner is essentially that, despite the



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Director (Discipline) having noticed certain circumstances which, according to the Petitioner, disclosed professional misconduct on the part of Respondent No.2, the Board of Discipline proceeded to close the complaint merely on account of the pendency of proceedings before the learned NCLT.

10. A perusal of the impugned order reveals that the Director (Discipline), while considering the complaint filed by the petitioner, had taken note of the statement made by Respondent No.2 before the EOW, the audited balance sheet showing the Petitioner as one of the shareholders, the absence of any disclosure by Respondent No.2 as to the authority on the basis of which he had examined the Company's records, as also the other documents relied upon by the parties. At the same time, the Director (Discipline) noticed that there were conflicting documents concerning the shareholding and that the question as to whom the 5,000 shares stood transferred remained pending adjudication before the learned NCLT.

11. The question pending before the learned NCLT was material to the complaint, as the allegations against Respondent No.2 were substantially connected with the disputed shareholding and the alleged transfer of the 5,000 shares. The Director (Discipline) noted that the documents did not conclusively establish whether the shares stood transferred to the Petitioner or to Bhagat Singh and that the issue remained pending before the competent forum. The determination of this underlying dispute could, therefore, have a bearing on the allegations against Respondent No.2. In this backdrop, the Director (Discipline) formed the *prima facie* opinion that Respondent No.2



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could not, at that stage, be held guilty of professional misconduct, with which the Board of Discipline agreed.

12. The pendency of the proceedings before the learned NCLT was, therefore, not considered in isolation. The same was relevant to the determination of the underlying factual dispute on which the allegations of professional misconduct substantially rested. In these circumstances, the decision of the Board to defer the disciplinary determination until the issue pending before the competent forum attained clarity cannot be said to be perverse or wholly unreasonable.

13. More importantly, the impugned order expressly grants liberty to the Petitioner to file a fresh complaint in the event anything adverse to Respondent No.2 emerges from the proceedings before the learned NCLT. Thus, the Petitioner's grievance has not been finally foreclosed and the remedy remains available to him subject to the outcome of the proceedings before the competent forum.

14. It is well settled that this Court while deciding petitions under Article 226 of the Constitution exercises extraordinary and discretionary jurisdiction. In the present case, having regard to the totality of circumstances, this Court finds no ground warranting such exercise of its discretionary and extraordinary jurisdiction.

15. The petition is, accordingly, dismissed.

AMIT MAHAJAN, J

SEPTEMBER 28, 2026

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