

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

30.09.2026

Present: JUSTICE SHARAD KUMAR SHARMA, MEMBER (JUDICIAL)
INDEVAR PANDEY, MEMBER (TECHNICAL)

Comp. App. (AT) No. 359 of 2026

(Arising out of Order dated 14.09.2026 passed by the Adjudicating Authority, National Company Law Tribunal Bench I, Chandigarh in Company Application No. 184 of 2026 in Company Petition No. 65/Chd/Hry/2026 along with the supporting affidavit)

IN THE MATTER OF:

Rock Bottom Mines Pvt Ltd. And Anr.

...Appellant

Versus

Sanjeev Chaudhary

...Respondent

Present:

For Appellant : Mr. Anand Chibbar, Sr. Advocate with Mr. Abhishek Anand, Mr. Deepankur Sharma, Mr. Vaibhav Sahni, Mr. Karan Kohli, Mr. Sajal Jain, Ms. Ridhima Mehrotra and Ms. Aanya Gupta, Advocates.

For Respondent : Mr. Arvind Nayyar, Sr. Advocate with Mr. Aalok Jagga, Mr., Nipun Gautam and Mr. Sahil Lohan, Advocates.

J U D G M E N T

Per Justice Sharad Kumar Sharma Member (Judicial)

We have to start with to record our anguish, as to the manner and diligence with which the proceedings have been taken before the Ld. Tribunal.

2. The fact remains that, as against the order dated 21.08.2026, the matter reached before this Tribunal primarily on the ground that, prior to passing of an interim order, first of all judicially it is required that the Tribunal ought to have recorded its prima facie satisfaction and would have also to ensure that the parties are heard in order to justify and rule out any possibility of bias in passing any interim order. The said factor was missing in the order dated 21.08.2026. Hence, we were constrained to pass an order on 02.09.2026, taking note of the observations made by the Ld. Tribunal on the very first date of hearing, also upon the issue of appointing an Administrative Officer too, to be precise it intended to, issued directions to the following effect:

- I. That has been that the SHO to confiscate all the records.
- II. The Petitioner to accompany the police officials to help to identify and to carry out the direction under Clause 2, for the factors that were taken into consideration by us when we passed the order on 02.09.2026.
- III. The resultant effect of the order passed by us on 02.09.2026 had been that the interim order dated 21.08.2026 was quashed.

3. The matter was remitted back by us for reconsidering the application for grant of interim relief. In these peculiar circumstance, the question that emerges is as to what will be the effect of the directions those were issued by the Tribunal in the order dated 21.08.2026, whether it would still persist to survive and be continued to be implemented, despite an unchallenged order passed by us on 02.09.2026. It is at this stage that the Tribunal has gone berserk. Because once the order has been quashed by an appellate forum, no part of order 21.08.2026, would continue to survive to be retained on records of the Ld. Tribunal which could not all be permitted to be implemented.

4. The order of 21.08.2026 contain primarily the following directions:

“i. We hereby appoint Retired Hon’ble Justice of Punjab and Haryana High Court-Mr. Harminder Singh Madaan, having Mobile No.9915543025 as Administrator to give effect and oversees the directions with the help of the Police. The Administrator shall submit a report in this regard.

ii. The Jurisdictional SHO is directed to immediately confiscate all records of Respondent No. 1 Company, from 01.09.2025 onwards, whether physical or electronic, including the books of account, bank statements, invoices, e-Ravana records, weighbridge records, closed-circuit television footage, digital video recorders & hard disks.

iii. The Petitioner shall accompany the police officials/officer to help identify and carry out directions given as sr. no. (ii) and submit the same to the Administrator.

iv. The Respondent Nos. 1 to 6 are directed to not remove, transfer or dispose of the funds, assets or properties of Respondent No. 1 Company, till the next date of hearing.”

5. We, while taking note of the aforesaid directions, particularly from the perspective that at the time of passing the order, no notice was even issued on the Petition to the Respondent itself, it was also backed because of the fact that, the orders and the directions contained therein would be having serious consequences. Thus, taking note of the aforesaid fact, we quashed the order dated 21.08.2026 by our order dated 02.09.2026 and remitted the matter back for fresh consideration of the interim order.

6. It is at this situation that the controversy had arisen, and it is saddening to observe that under the ordinary law of jurisprudence, when any order is quashed by the superior Court, and when the order of the appellate court is not challenged or quashed by superior court to the Appellate Court, passing the order ie 02.09.2026, herein, the consequence would be, that order in its entirety does not exist thereafter in the eyes of law. What to say about the continuance of the part of the order dated 21.08.2026, the directions on which have been extracted above. If at all, after the order dated 02.09.2026 passed by us, the directions given in the order dated 21.08.2026 are still permitted to be continued, it rather defeats the very object of the Appellate order dated 02.09.2026, which cannot be permitted to be sustained under any of the circumstances, as it would amount to sitting over the appellate order, which is against the judicial propriety and discipline. Owing to certain basic norms of judicial discipline, which are required to be adhered to by the Tribunal, we are pained to observe that the Tribunal has deterred from that perspective.

7. It is under these circumstances that, the Appellant contends that he was constrained to file CA No. 184/2026 on 09.09.2026, praying that, in order to file a Reply of the interim relief application on revival of the proceedings of the interim application in pursuance of the order dated 02.09.2026 passed by NCLAT, he would be requiring the records, which have already been directed to be confiscated by the SHO as per Clause 2 of the order dated 21.08.2026, and in the absence of there being any record with the Appellant, he would not be able to furnish an appropriate reply. Hence, he made a prayer to the following effect:

“a) direct the Administrator to forthwith return and restore to the Applicant/Respondent No. 1 Company all books of account, bank statements, .invoices, e-Ravana records, weighbridge television closed-circuit television footage, digital video recorders, hard disks and any other records, documents or articles seized/ confiscated pursuant to the order dated 21.08.2026 passed in CP No. 65/Chd/Hry/2026, the said order having been quashed by the Hon'ble NCLAT vide order dated 02.09.2026 in Company Appeal (AT) No. 332 of 2026;

b) pass such consequential directions as may be necessary for the smooth and expeditious return/restoration of the seized material, including a time-bound schedule and a joint inventory/ panchnama to be prepared at the time of such return; and

c) pass such other order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case, in the interest of justice.”

8. Surprisingly, when the said application came up for consideration before the Tribunal, the Tribunal has passed an order which cannot be accepted from any perspective to be sustained, being contrary to judicial

discipline, more particularly when the Tribunal has side-lined the consideration of the Application CA No. 184/2021 on merits and had still proceeded to call upon the Appellant to file a short note not exceeding 2 pages on the point of arguments supporting the judgments, aimed yet again ensuring that appellant is not able to file reply to interim application. A very peculiar inference has been drawn that since the order dated 02.09.2026, where we have quashed the order dated 21.08.2026 passed by the Ld. Tribunal was still required to contain a specific direction for returning the documents, as they were confiscated by Clause 2 of the order dated 21.08.2026.

9. It is absolutely a mis interpretation given by the Ld. Tribunal to the order dated 02.09.2026 and, at least, it is known by common judicial prudence that, once the order is quashed by an appellate forum, it does not exist in the eyes of law on the records and hence a part of it cannot still be permitted, to be maintained and enforced as observed and interpreted by the Tribunal, in the order dated 14.09.2026, which cannot be accepted. The order dated 14.09.2026 is absolutely contrary to the law of interpretation, which has to be assigned to the effect of the order dated 02.09.2026 and, if this aptitude persists at the behest of the Respondent by projecting as if the records were not required to be returned, which had been confiscated by an order dated 21.08.2026, which has been set aside by us on 02.08.2026, is absolutely a misconceived determination as it acts and attempts to dilute the effect of order passed by us on 02.09.2026 which is condemned, the documents already seized by the order 21.08.2026, upon the said order

being quashed by appellate tribunal on 2.09.2026, no more survives documents seized under it were bound to be returned.

10. In that view of the matter, the impugned order dated 14.09.2026 would stand quashed with an observation that by Judgment passed by us on 02.09.2026, where we have quashed the order dated 21.08.2026, it would be quashing of the entire directions contained in it and no independent observation as expected by the Ld. Tribunal was required to be made by us for return of the documents or such other directions contained in the order dated 21.08.2026 as the documents since were seized under a order which has now been quashed is bound to be returned. We are sorry to say that it is an absolute misinterpretation made by the Ld. Tribunal to the order passed by us. Subject to the above, the Company Appeals stand allowed. The documents thus confiscated in pursuance of the order dated 21.08.2026 are directed to be released forthwith and CA No. 184/2021 would be deemed to be allowed.

[Justice Sharad Kumar Sharma]
Member (Judicial)

[Indevar Pandey]
Member (Technical)

MT