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

% *Date of Decision: 22.07.2026*

\+ **W.P.(C) 9717/2026**

SUSHIL KUMAR VERMA .....Petitioner

Through: Mr. Keshav Kr. Verma with Mr. Kunal Verma, Mr. Ashwani, Ms. Neetu Gupta and Mr. Vijender Kumar, Advocates.

versus

SECURITES & EXCHANGE BORAD OF INDIA AND ANR. .....Respondents

Through: Mr. Pratap Venugopal, Senior Advocate with Ms. Udita Singh, Advocates for R-1/SEBI.
Mr. Ankit Rajgarhia, Mr. Siddhant Ahirwal, Mr. Garv Aggarwal, Advocates for R-2.

CORAM:
HON'BLE DR. JUSTICE SWARANA KANTA SHARMA

JUDGMENT

DR. SWARANA KANTA SHARMA, J. (*Oral*)

1. By way of the present writ petition, the petitioner seeks issuance of direction to the respondent no. 1, i.e. Securities & Exchange Board of India [hereafter '**SEBI**'] and respondent no. 2, i.e. Indiabulls Securities Limited [hereafter '**Indiabulls Securities**'] to update the correct Dematerialization (**Demat**) Account Statement

of the petitioner and to provide the same to the petitioner. He also seeks issuance of direction to SEBI, to take strict action against the Indiabulls Securities for allegedly violating the Act and Rules of SEBI.

2. In brief, the grievance of the petitioner, as set out in the petition, is that the petitioner was holding Trading Account No. DH6860 with respondent no. 2, Indiabulls Securities, through which he had purchased 9 shares of Lupin Limited on 25.08.2006. Since the petitioner did not have a Demat account at the relevant time, the said shares were stated to have been retained in the pool account of Indiabulls Securities. Thereafter, on the advice of Indiabulls Securities, the petitioner opened a Demat account on 04.05.2010 for transfer of the said shares. According to the petitioner, pursuant to the stock split undertaken by Lupin Limited on 31.08.2010, his holding increased to 45 shares, which continued to be reflected in the account statements issued by Indiabulls Securities, and dividends were also credited in respect thereof from time to time. However, when the petitioner sought to sell the said shares in August 2024, he allegedly discovered that no Lupin shares were reflected in his Demat account. Upon further verification, the petitioner found that the last dividend in respect of the said shares had been credited on 17.09.2016, with no dividend being received thereafter. It is the case of the petitioner that he had repeatedly visited the office of Indiabulls Securities, made telephonic communications and addressed emails to Indiabulls Securities between August and December 2024, followed by a legal

notice dated 05.12.2024 sent to Indiabulls Securities, and then an email dated 30.05.2026 addressed to Indiabulls Securities with a copy marked to SEBI seeking appropriate action, however, no effective steps were taken. Alleging that Indiabulls Securities has unlawfully dealt with or misappropriated his shares and that SEBI has failed to discharge its regulatory obligations despite being informed of the matter, the petitioner has approached this Court by way of the present writ petition.

3. At the outset, the learned counsel appearing for respondent no. 1/SEBI, on advance notice, has raised a preliminary objection to the maintainability of the present writ petition. It is contended that the dispute raised by the petitioner is not amenable to the writ jurisdiction of this Court, and in this regard, it is stated that the contract note dated 25.08.2006, executed between the petitioner and respondent no. 2/Indiabulls Securities at the time of purchase of the shares in question, contains a statutory arbitration clause governing disputes between the parties. It is further submitted that the principal dispute is essentially between the petitioner and Indiabulls Securities, which is a private entity, and no writ would lie against such a private respondent, which is why SEBI has been impleaded only with a view to confer maintainability upon the present petition, though no relief falling within the statutory jurisdiction of SEBI arises in the facts of the present case. It is also contended that disputes between a client and a stock broker are governed by the relevant Bye-laws and Regulations of the Bombay Stock Exchange, which provide a

complete statutory mechanism for grievance redressal, including arbitration. The said Bye-laws, it is submitted, have been recognised by the Hon'ble Supreme Court to possess statutory force. The learned counsel further submits that the controversy sought to be raised by the petitioner involves disputed questions of fact, including allegations of misappropriation of shares, which cannot be adjudicated in proceedings under Article 226 of the Constitution of India. It is lastly submitted that the petitioner has approached this Court after an inordinate lapse of time of nearly ten years from the alleged cessation of dividend credits in 2016, and the writ petition is, therefore, also liable to be dismissed on the ground of delay and laches.

4. The learned counsel appearing for respondent no. 2/Indiabulls Securities has also opposed the maintainability of the present writ petition. It is submitted that the dispute arises out of a contractual relationship between the petitioner and Indiabulls Securities, which is a private stock broker, and is essentially a private dispute. The learned counsel further draws the attention of this Court to the averments made in the petition, wherein the petitioner has stated that no other efficacious remedy is available. It is submitted that the said assertion is incorrect, as the contract note dated 25.08.2006 executed between the parties specifically provides for resolution of disputes through arbitration, at Mumbai, under the applicable Bye-laws, Rules and Regulations of the Stock Exchange. It is, therefore, contended

that the petitioner has an efficacious alternative statutory remedy and the present writ petition is not maintainable.

5. On the other hand, the learned counsel appearing for the petitioner submits that the present writ petition is maintainable, as the registered office of respondent no. 1/SEBI is situated within the territorial jurisdiction of this Court and the same has been duly mentioned in the memo of parties. It is further submitted that although the petitioner's contractual relationship was with respondent no. 2/Indiabulls Securities, the latter is regulated by SEBI. It is, therefore, contended that the petitioner is entitled to seek appropriate directions against Indiabulls Securities and SEBI in exercise of the writ jurisdiction of this Court.

6. In response, the learned counsel appearing for SEBI submits that SEBI is headquartered in Mumbai, and it has no 'registered office' in Delhi, but only a regional office.

7. This Court has **heard** arguments addressed on behalf of the parties, and has perused the material available on record.

8. In the present case, the dispute essentially pertains to the petitioner's grievance that the shares purchased by him through Indiabulls Securities are no longer reflected in his Demat account and his allegation that Indiabulls Securities has unlawfully dealt with or misappropriated the said shares.

9. This Court's attention has been drawn to the contract note dated 25.08.2006 executed between the petitioner and Indiabulls

Securities. It is material to take note of the following excerpts of the said contract note:

Indiabulls™

CONTRACT NOTE – Form A (Regulation 14.2)
SUBJECT TO MUMBAI JURISDICTION
CONTRACT NOTE ISSUED BY MEMBERS ACTING FOR CONSTITUENTS AS BROKERS & AGENTS

INDIABULLS SECURITIES LIMITED

MEMBER : Bombay Stock Exchange Limited
SEBI REGD. NO. : INB 010875632 : CLG NO.: 907

OTHER LEVIES,IF ANY :

1 This contract is made subject to the Rules, Bye-laws and Regulations and Usages of Bombay Stock Exchange Limited.
2. Brokerage has been charged as stated above at rates not exceeding the official scale of brokerage.
3 This contract is subject to the jurisdiction of the courts in Mumbai.
4 In the event of any claim (whether admitted or not) difference or dispute arising between you and me/Us out of these transactions, the matter shall be referred to arbitration in Mumbai as provided in the Rules, Bye- Laws and Regulations of the Bombay Stock Exchange Limited.
5. This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/ us that all claims (whether admitted or not), differences and disputes in respect of any dealings, transactions and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings, transactions or contracts have been entered into or not) shall be submitted to and decided by arbitration in Mumbai as provided in the Rules, Bye-Laws and Regulations of the Bombay Stock Exchange Limited.
6. The provisions printed overleaf form a part of the contract.

10. A perusal of the contract note reveals that it expressly provides that it is '*Subject to Mumbai Jurisdiction*'. It further stipulates that – (i) contract is made subject to the Rules, Bye-laws and Regulations and Usages of Bombay Stock Exchange Limited, (ii) the contract is subject to jurisdiction of courts in Mumbai, (iii) reference of matter to Arbitration in Mumbai as per Rules, Bye-laws and Regulations of Bombay Stock Exchange Limited, in event of any claim, difference or dispute arising between the parties out of the transactions.

11. Admittedly, apart from addressing emails and issuing a legal notice to respondent no. 2, the petitioner has not invoked any of the remedies specifically contemplated under the contract note or the applicable Rules, Bye-laws and Regulations governing the relationship between the parties.

12. This Court also notes that both SEBI and the Bombay Stock Exchange have established grievance redressal mechanisms for

addressing disputes of the present nature. However, the petitioner has admittedly not availed of any such remedy. At this stage, the dispute is essentially between the petitioner and respondent no. 2, arising out of their contractual relationship and concerning the petitioner's shareholding and the transactions in his Demat account. The mere fact that one of the emails addressed by the petitioner to respondent no. 2 was also marked to SEBI, requesting action against it, cannot by itself confer maintainability upon the present writ petition or justify invocation of the writ jurisdiction of this Court.

13. In view of the aforesaid, this Court is of the considered opinion that the petitioner has efficacious alternative remedies available in law, including the remedies contemplated under the Rules, Bye-laws and Regulations of the Bombay Stock Exchange Limited as well as the applicable grievance redressal mechanisms.

14. In these circumstances, the present writ petition is not maintainable and is accordingly dismissed, leaving it open to the petitioner to avail of such remedies as may be available to him in accordance with law before the competent forum.

15. Nothing expressed hereinabove shall amount to any expression of this Court on the merits of the case.

16. The judgment be uploaded on the website forthwith.

DR. SWARANA KANTA SHARMA, J

JULY 22, 2026/vc
T.D.