IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
PUBLIC INTEREST LITIGATION NO. 5 OF 2026

Varun Dev Jha and Ors. .... Petitioners.
V/s
Securities and Exchange Board of India and Ors. .... Respondents.

Mr. Shreyas Shrivastava a/w Mansi Gade & Ismail Sayed, advocates for the petitioners.
Mr. Manish Changani i/b the Law Point, advocate for the respondent no.1.
Ms. Zarnaab Aswad i/b Khaitan & Co. for the respondent no.3.
Ms. Suchitra Valjee with Mr. Arjun Bahl i/b Manilal Kher Ambalal & Co., advocates for respondent no.4.
Mr. Vineet Jain a/w Shazia Awan, Mr. Ashutosh Mishra, Mr. Gaurav Mhatre, advocates for respondent no.5.

CORAM : SHREE CHANDRASHEKHAR, CJ &
GAUTAM A. ANKHAD, J.

DATE : 10TH FEBRUARY 2026

PER SHREE CHANDRASHEKHAR, CJ.

This petition which was initially filed as Writ Petition No.3610 of 2021 has come up on Board under the label of public interest litigation by virtue of the order dated 12th June 2024 passed in the present proceedings by a coordinate Bench of this Court. In the course of hearing, the learned counsel for the petitioners submit that this public interest litigation is confined to prayer at clause (a) which reads as under:-

> *"a. this Hon'ble Court be pleased to declare that the impugned Regulation 3(2) of the SEBI (Delisting of equity shares) Regulations, 2021 ultra vires Section 31 read with Section 21A of the Securities Contracts (Regulation) Act, 1956 and Section 30 read with Section 11A and 11 of the Securities Exchange Board of India Act, 1992."*

2. The petitioners are the shareholders of the respondent no.6-company which is currently undergoing the Corporate Insolvency Resolution Process. The resolution plan of the respondent no.5 was accepted by the Committee of creditors appointed therein. It is alleged that the said resolution plan has taken away the life savings of the petitioners without discovering the true and correct market price of shares of the respondent no.6 by delisting them. A challenge is laid to the legality and constitutional validity of regulation 3(2)(b) including proviso 1 of the Securities Exchange Board of India (Delisting of Equity Shares) Regulations 2021 for being arbitrary, discriminative and *ultra vires* the Constitution of India. There are as many as 14 individuals who have joined hands to file this petition now labelled as a public interest litigation. They claim that they are shareholders of Dewan Housing Finance Corporation Limited and are senior citizens, widows and handicapped persons and persons in dire need of their money. It is stated at the Bar that and as we recollect while dealing with Writ Petition No.3610 of 2021 that there are series of litigation in respect of Yes Bank, DHFL and other entities. There are criminal cases filed by CBI and Enforcement Directorate as registered ECIR against the promoters and directors of the company. There are multiple proceedings taken out by the parties involved in such proceedings. However, all these facts have not been disclosed in this public interest litigation. We understand that while exercising powers under Article 226 of the Constitution of India, writ Court is not entitled to look to the wisdom of the legislature while framing financial and economic guidelines or statute. The learned counsel for the petitioners submits that there is a defect in treatment of the public shareholders of a corporate debtor which has been recognized

by the Securities Exchange Board of India (in short, SEBI) in their consultation paper, copy of which has been tendered in Court. This discretion is vested in SEBI to take an informed decision while keeping in mind the interest of the shareholder when the companies are under CIRP. In *"State of Himachal Pradesh v. Parent of a Student of Medical College"*, (1985) 3 SCC 169, the Hon'ble Supreme Court held that the writ Court in exercise of powers under Article 226 of the Constitution cannot direct the legislature to formulate policy or enact a law.

2. In view of the above, Public Interest Litigation No.5 of 2026 is dismissed.

[GAUTAM A. ANKHAD, J.] **[CHIEF JUSTICE]**

BHARAT DASHARATH PANDIT

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