IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO. 694 OF 2025

ITC Limited	}	
a company under Companies Act 2013	}	
and having its registered office at 37,	}	
Jawaharlal Nehru Road, Kolkatta – 700071	}	
and local office at World Trade Centre	}	
18th Floor, Centre I, Cuffe Parade, Colaba,	}	
Mumbai – 400005.	}	**… Petitioner**

V/s.

1. Metropolitan Stock Exchange	}	
a notified Stock Exchange recognized	}	
under the Companies Act 1956 and	}	
having its registered address at 2nd Floor,	}	
Piramal Agastya Corporate Park,	}	
Building A, Unit 205A,	}	
Lal Bahadur Shastri Marg, Kurla West,	}	
Mumbai, Maharashtra 400070.	}	
2. Mr. Ashok Mootha	}	
residing at Flat No. 2, Ashirwad Apartments,	}	
172, L.C. Street CH 1, Nawat New 27 Burkair Road,	}	
T, Nagar, Chennai – 600001.	}	
3. Jupitice Justice Technology Private Ltd.	}	
A company incorporated under Section 8	}	
of the Indian Companies Act 2013	}	
having registered address at Plot No. 14,	}	
Rajiv Gandhi Chandigarh Technology Park,	}	
Adjoining Infosys, Chandigarh, India 160101.	}	
4. Securities and Exchange Board of India,	}	

SEBI Bhavan, BKC, Plot No. C4-A, G Block, }
Bandra-Kurla Complex, Bandra (E), }
Mumbai – 400051. } **... Respondents**

Mr. Kevic Setalvad, Senior Advocate a/w Mr. Anupam Surve, Mr. Nimish Kothare, Ms. Hilla Boatwalla and Ms. Ashwini Sonawane i/b Nanu Hormasjee & Co. for Petitioner.
Mr. Rajesh More for Respondent No. 1.
Mr. Akshon K (through VC) for Respondent No. 2.
Mr. Akash Jain a/w Mr. Bhushan Shah, Mr. Abhishek Nair and Ms. Sayali Kshirsagar i/b Mansukhlal Hiralal & Co. for Respondent no. 4 (SEBI).

CORAM : R. I. CHAGLA AND FARHAN P. DUBASH, JJ.

RESERVED ON : 22nd JULY 2026
PRONOUNCED ON : 21st AUGUST 2026

JUDGMENT (Per Farhan P. Dubash, J):

1. The present Writ Petition under Article 226 of the Constitution of India takes exception to the communications dated 24th October 2024 and 26th November 2024 ***("impugned communications")*** issued by Respondent Nos. 1 and 3 under the Online Dispute Resolution mechanism introduced by the Securities and Exchange Board of India ***("SEBI")*** pursuant to its Master Circular dated 31st July 2023 ***("Master Circular")***. By the impugned communications, the Petitioner has, inter alia, been called upon to participate in the arbitral proceedings initiated by Respondent No. 2 and to comply with the requirements relating to payment of arbitral fees.

2. The Master Circular seeks to streamline the existing dispute-resolution

mechanism in the Indian securities market under the aegis of Stock Exchanges and Depositories, collectively referred to as Market Infrastructure Institutions ***("MIIs")***, by establishing a common Online Dispute Resolution Portal ***("ODR Portal")*** which provides for resolution of disputes through online conciliation and online arbitration.

3. Respondent No. 1, Metropolitan Stock Exchange of India Limited ***("MSE")***, is an MII participating in the framework established under the Master Circular. Respondent No. 2 is the complainant ***("Complainant")*** who has raised the dispute against the Petitioner. Respondent No. 3, Jupitice Justice Technology Private Limited ***("ODR Institution")***, is an ODR Institution empanelled by MSE and is engaged in facilitating and administering online alternative dispute resolution under the ODR framework.

4. The principal grievance of the Petitioner is that MSE lacks jurisdiction to entertain the dispute raised by the Complainant, since the securities of the Petitioner are neither listed nor traded on MSE. It is the Petitioner's case that the complaint could only have been dealt with by the relevant Stock Exchange in accordance with the Master Circular and that the mere allotment of the complaint to MSE through the ODR Portal cannot confer jurisdiction where none otherwise exists.

BRIEF FACTS

5. Before considering the rival submissions, it would be appropriate to set out, in brief, the facts necessary for adjudication of the present Petition:

(a) The dispute has its genesis in the year 1989, when Mr. Prakash Chand Baid ***(“Mr. Baid”)*** is stated to have purchased 85 shares ***(“Base Shares”)*** of the Petitioner from Mr. J. B. Malhotra, Mr. N. Vaidyanathan and Ms. U. Ratna Rao ***(“original shareholders”)***.

(b) At the relevant time, the Petitioner declared a one-to-one bonus issue pursuant to a Board Resolution dated 11th August 1989. The record date was fixed as 19th September 1989 and the date of issue as 21st September 1989. Since the Base Shares stood in the names of the original shareholders on the record date, 85 bonus shares ***(“Bonus Shares”)*** were issued in their names under Share Certificate Nos. 501009, 440799 and 469766, bearing Distinctive Nos. 41285522 – 546, 38231544 – 553 and 39741327 – 376, respectively.

(c) The Base Shares were thereafter registered in the name of Mr. Baid on 28th September 1989. Mr. Baid is stated to have subsequently transferred the Base Shares to Mr. N. Ramaswamy under a transfer deed dated 20th March 1990.

(d) By a letter dated 20th April 1990, the Petitioner, through its erstwhile share transfer agent, informed Mr. Baid that the Bonus Shares would be kept in abeyance pending submission of duly completed transfer forms. According to the Petitioner, no such forms were thereafter submitted.

(e) SEBI was subsequently established under the Securities and Exchange Board of India Act, 1992.

(f) In response to letters dated 2nd/3rd May 1994 addressed by the Complainant, who claims to have been the stock broker of Mr. Baid, complaining of non-receipt of the Bonus Shares, the Petitioner, by its letter dated 10th May 1994, informed the Complainant that the Bonus Shares had inadvertently been returned to the original shareholders.

(g) By Circular dated 3rd June 2011, SEBI introduced, with effect from 20th May 2011, an electronic investor grievance-redressal mechanism known as the SEBI Complaints Redress System ***("SCORES Portal")***.

(h) More than two decades after the Bonus Issue, the Complainant commenced correspondence with the Petitioner in 2014 seeking details of the Bonus Shares and the corporate benefits allegedly accruing thereon. The Petitioner is stated to have responded and also requested the original shareholders to return the Bonus Shares. No response is stated to have been received from the original shareholders.

(i) The Complainant thereafter asserted entitlement to the Bonus Shares and the corporate benefits accruing thereon. In 2015, he is stated to have produced a Power of Attorney allegedly executed by Mr. Baid in his favour, though the Petitioner disputes having been furnished a copy thereof.

(j) The Petitioner, in response, provided the Complainant with details of the original shareholders and requested him to pursue the matter with them.

(k) In 2016, one Mr. V. Narayanan, claiming to be the legal heir of one of the original shareholders, sought issuance of duplicate shares. The Petitioner replied that it was unable to take any action and requested Mr. Narayanan to resolve the issue with the Complainant.

(l) The Complainant thereafter addressed a notice dated 11th April 2019 to the original shareholders calling upon them to hand over the Bonus Shares, failing which legal proceedings would be initiated.

(m) By a letter dated 15th March 2021, the Complainant sought from the Petitioner transfer of the Bonus Shares and the related corporate benefits in his favour.

(n) In 2021, the Complainant lodged a complaint against the Petitioner on the SCORES Portal. According to the Petitioner, the complaint was dismissed and closed on 16th August 2021 and was not thereafter challenged.

(o) With effect from 31st July 2023, SEBI introduced the ODR framework under the Master Circular providing for online conciliation and arbitration in disputes arising in the Indian securities market.

(p) Thereafter, the Complainant is stated to have filed several complaints against the Petitioner on the ODR Portal, which were allotted on a round-robin basis to various MII's, including the National Stock Exchange ***("NSE")***, Bombay Stock Exchange ***("BSE")***, National Securities Depository Limited ***("NSDL")***, Central Depository Services (India) Limited ***("CDSL")*** and MSE. According to the Petitioner, the said complaints came to be rejected or dismissed on grounds including limitation, locus, jurisdiction, maintainability and duplication.

(q) Notwithstanding the earlier proceedings, the Complainant lodged another complaint against the Petitioner on the ODR Portal, stated by the Petitioner to be the fourteenth such complaint, which was allotted to MSE on 25th August 2024. The Conciliation Officer appointed by Respondent No. 3 issued a Conciliation Report dated 16th October 2024 recording that the complaint was time-barred. The conciliation process consequently ended without settlement.

(r) On 24th October 2024, the Petitioner requested MSE not to entertain any further complaint from the Complainant, principally on the ground that MSE lacked jurisdiction since the securities of the Petitioner were neither listed nor traded on MSE. By a letter of the same date, MSE replied acknowledging that the Petitioner’s securities were not listed on its exchange, but stating that the complaint had been allotted to it through the ODR Portal on a round-robin basis in accordance with the Master Circular.

(s) On 28th October 2024, the Petitioner addressed communications to SEBI setting out the history of the complaints lodged by the Complainant before various stock exchanges and requesting SEBI to examine the matter. It is stated that SEBI thereafter discussed the issue telephonically with the Petitioner’s Compliance Officer and informed the Petitioner that SEBI was not empowered to grant an entity-specific exemption or adjudicate the objections raised by the Petitioner, which could be urged before the appropriate arbitral forum.

(t) Thereafter, by an email dated 26th November 2024, MSE, through Respondent No. 3, informed the Petitioner that the Complainant had initiated arbitration and called upon the Petitioner to comply with the applicable requirements, including payment of the arbitration fees.

(u) The Petitioner, by communication dated 13th January 2025, called upon Respondent Nos. 1 and 3 to cease further proceedings.

(v) The Petitioner has thereafter approached this Court by the present Writ Petition.

SUBMISSIONS OF THE PETITIONER

6. Mr. Kevic Setalvad, learned senior advocate appearing for the Petitioner, submits that the impugned communications are *ex facie* without jurisdiction. According to him, MSE has no jurisdiction to entertain the dispute since the securities of the Petitioner are admittedly neither listed nor traded on MSE. He therefore argues that the continuation of the proceedings before MSE is contrary to the scheme of the Master Circular.

7. He submits that the grievance raised by the Complainant, at its highest, concerns disputed questions relating to rectification of the register of members and entitlement to shares and corporate benefits. He submits that such questions cannot be adjudicated under the ODR mechanism and would have to be pursued before the competent Court or Tribunal.

8. Mr. Setalvad further submits that the ODR mechanism was introduced only on 31st July 2023 and cannot be invoked in respect of a cause of action which arose in 1989. He submits that, under the Master Circular, a dispute concerning a listed company is required to be referred to the ODR Institution empaneled by the relevant Stock Exchange and that, in the present case, the relevant exchange is BSE and not MSE. He argues that MSE, which was not the relevant exchange in relation to the Petitioner, could not acquire jurisdiction merely because the ODR Portal allotted the complaint to it on a round-robin basis.

9. He submits that the Bonus Shares were issued on 21st September 1989 in the names of the original shareholders and that the Complainant's claim, raised after more than three decades, is *ex facie* barred by limitation. It is submitted that the complaint was consequently not maintainable under *paragraph* 14 of the Master Circular and ought not to have proceeded to arbitration.

10. Mr. Setalvad further submits that the Complainant's grievance arises out of events of 1989 and that substantially identical complaints have repeatedly been lodged and rejected. According to him, the repeated invocation of the ODR mechanism amounts to an abuse of the process and the present proceedings constitute yet another attempt to reagitate the same dispute.

11. It is submitted that the Complainant has approached several authorities, including NSE, BSE, NSDL, CDSL and MSE, in relation to the same Bonus Shares and the same alleged cause of action. According to the Petitioner, the complaints have repeatedly been rejected on grounds including limitation and maintainability. The present complaint is therefore contended to be a further attempt to reopen an issue which has already been considered.

12. Mr. Setalvad submits that the complaint and the consequential arbitral proceedings are barred by principles analogous to *res judicata* and constitute an abuse of process. He argues that the Complainant ought not to be permitted to repeatedly invoke the ODR mechanism in respect of the same cause of action.

13. He further submits that although the Complainant describes himself as a share broker, he has instituted the complaints in his own name asserting rights over the Base Shares and Bonus Shares. He submits that there is no valid document evidencing transfer of the Base Shares by the registered shareholder, Mr. Baid, in favour of the Complainant. According to him, the Complainant therefore lacks locus to assert a personal claim against the Petitioner in respect of the shares or the corporate benefits allegedly accruing thereon.

14. It is lastly submitted that the Petitioner is being compelled to deposit the requisite amount and participate in arbitral proceedings before a forum which, according to the Petitioner, lacks jurisdiction. The impugned communications are therefore contended to be *void ab initio* and liable to be quashed.

SUBMISSIONS OF SEBI

15. *Per contra,* Mr. Akash Jain, learned counsel appearing for SEBI, submits that the reliefs sought by the Petitioner are impermissibly wide and, if granted, would operate as a blanket prohibition against Respondent Nos. 1 and 3 and would materially interfere with the round-robin allocation

mechanism prescribed by the Master Circular.

16. He further submits that such a restraint would undermine the uniform dispute-resolution framework established by SEBI for facilitating and integrating alternative dispute-resolution mechanisms in relation to disputes arising from transactions in the securities market between investors, intermediaries and other market participants. The Petition, according to SEBI, is therefore liable to be dismissed.

ANALYSIS, REASONS AND FINDINGS

17. We have heard the learned counsel appearing for the parties and perused the material placed on record. The principal question which arises for consideration is whether the initiation and continuation of arbitral proceedings against the Petitioner through the ODR mechanism, pursuant to the complaint lodged by Respondent No. 2 and its allocation to MSE, disclose such a patent lack of jurisdiction or authority, as would warrant interference by this Court in exercise of its extraordinary writ jurisdiction. The Petitioner has raised several objections, including want of jurisdiction, limitation, lack of locus, maintainability, repetition of proceedings, *res judicata*, abuse of process and the alleged non-arbitrable nature of the dispute. It is necessary to examine the nature of these objections and, more importantly, whether their existence justifies interdiction of the arbitral process at its inception.

18. At the outset, we are unable to accept the broad submission that the very initiation of arbitration must necessarily be prohibited merely because the Petitioner disputes the maintainability of the underlying complaint. The jurisdiction exercised by this Court under Article 226, in the facts of the present case, is not an appellate jurisdiction over the proceedings conducted under the ODR mechanism.

19. The Court is required to examine whether the impugned action is demonstrably without authority, contrary to the governing regulatory framework, or otherwise suffers from a jurisdictional defect of such patent character as would warrant intervention at the threshold. The Court is not, at this stage, called upon to determine the merits of the dispute viz. substantive entitlement of the Complainant to the Bonus Shares or the corporate benefits claimed by him. Nor is it appropriate for this Court, in these proceedings, to adjudicate disputed questions concerning limitation, *locus*, maintainability, *res judicata* or the effect of the previous complaints, unless the material on record establishes a clear and patent bar to the proceedings themselves.

20. It would therefore be appropriate first to examine the architecture of the ODR mechanism under the Master Circular and, in particular, the provisions governing initiation, allocation, conciliation and arbitration.

21. The Master Circular establishes a structured mechanism for resolution of disputes arising between investors or clients and listed companies and specified intermediaries or regulated entities in the securities market. The mechanism contemplates escalation of an unresolved grievance and thereafter its reference to the ODR Portal for online dispute resolution. The scheme is therefore not merely an optional administrative facility but a regulatory dispute-resolution mechanism established by SEBI for specified disputes arising in the securities market.

22. *Paragraph 14* of the Master Circular is also of significance. It provides that dispute resolution through the ODR Portal may be initiated only within the applicable period of limitation, reckoned from the date on which the issue arose or occurred resulting in the complaint, the date of the last transaction, or the date of the disputed transaction, whichever is later. The Petitioner therefore undoubtedly has a substantive objection on limitation. The question, however, is whether that objection, by itself, renders the initiation of arbitration a nullity or whether it is an objection which is required to be adjudicated in the arbitral process.

23. The next relevant provision of the Master Circular is *paragraph 16*, which deals with allocation of disputes to ODR Institutions. It provides for a market-wide round-robin allocation system, subject to the specific stipulation that, during the relevant period, complaints or disputes arising with a specific trading member in relation to an exchange transaction or with a listed company are to be referred to the ODR Institution(s) empaneled by the relevant Stock Exchange. The *footnote to paragraph 16* further addresses the situation where an intermediary is linked to more than one Stock Exchange or where a company is listed on more than one Stock Exchange. The allocation provision is therefore required to be read as a whole. The round-robin mechanism cannot be considered in isolation from the express qualification contained in *paragraph 16(a).*

24. In the present case, the Petitioner principally relies upon this qualification and submits that MSE is not the relevant Stock Exchange for the Petitioner. This objection is undoubtedly a serious one. At the same time, the question whether the complaint was correctly allocated under *paragraph 16* depends upon the precise status of the Petitioner, the Stock Exchange(s) on which its securities were listed at the relevant time, the nature of the grievance raised by the Complainant and the manner in which the complaint came to be allocated through the ODR Portal. The mere fact that the Petitioner's securities are not listed on MSE cannot, standing alone, be treated as conclusively establishing the absence of authority of every participant in the ODR mechanism. The question is whether, on a proper application of *paragraph 16* and the facts relevant to the allocation, the reference to MSE was impermissible.

25. We are also required to consider the consequence of the subsequent transition from conciliation to arbitration. *Paragraph 20(b)* of the Master Circular provides that, where the dispute remains unresolved after conciliation, the investor/client may pursue online arbitration, subject to payment of the applicable fees. The provision further states that the Market Participant against whom arbitration is pursued shall participate in the arbitration process and prescribes the consequential obligations regarding deposit of the admissible claim value and payment of arbitration fees. The language employed in *paragraph 20(b)* is undoubtedly mandatory. Once a dispute has validly entered the ODR framework and the conciliation process has concluded without resolution, the Market Participant cannot, merely by expressing its disagreement with the claim, elect not to participate in the arbitral process.

26. The provision, however, cannot be read as conferring jurisdiction where the Master Circular itself excludes the dispute from the ODR framework or where there is a patent and demonstrable absence of jurisdiction. The obligation to participate necessarily operates within the four corners of the

Master Circular. This distinction is material. Participation in arbitration does not, by itself, amount to an admission of the claim, nor does it necessarily constitute a waiver of a legally sustainable objection to jurisdiction, limitation, maintainability, *locus* or arbitrability. Those objections may be urged before the arbitral forum and must be considered in accordance with law. In other words, the mandatory character of *paragraph 20(b)* does not render every objection raised by a Market Participant incapable of consideration. What it does, is prevent the Market Participant from unilaterally bringing the ODR process to an end merely because it disputes the claim.

27. In the present case, the Petitioner seeks to place before this Court, at the threshold, a series of objections which go substantially to the maintainability and merits of the Complainant's claim. The Petitioner relies upon the considerable lapse of time, the previous complaints, the alleged absence of locus, the alleged absence of a valid transfer in favour of the Complainant and the nature of the relief claimed. These are undoubtedly matters which the Petitioner is entitled to raise but before the appropriate arbitral forum. Merely the fact that an objection is substantial does not, by itself, convert it into a jurisdictional bar warranting exercise of writ jurisdiction.

28. The same consideration applies to the submission founded upon repeated complaints. We do not, at this stage, express any opinion on whether the earlier proceedings operate as *res judicata*, constitute an abuse of process, or otherwise bar the present claim. Those questions would require examination of the nature of each earlier proceeding, the orders passed therein, the parties thereto, the reliefs claimed and the basis on which the complaints were disposed of. It would neither be appropriate nor desirable for this Court, in the present proceedings, to undertake such an adjudication when the regulatory framework itself provides for an arbitral forum.

29. The Petitioner's grievance that the Complainant has approached several authorities on the same subject cannot, however, be brushed aside. Repeated invocation of a statutory or regulatory dispute-resolution mechanism cannot be permitted to become a means of indefinitely reopening concluded proceedings. But whether that principle applies on the facts of the present case, and what consequence should follow from the earlier proceedings, are matters which can appropriately be placed before the arbitral forum.

30. We also find no merit, at this stage, in the submission that the mere age of the underlying transaction renders the present arbitral proceedings *non-est*. The Master Circular itself contains a specific provision concerning limitation. Whether the Complainant's claim satisfies that requirement is therefore a matter which can be tested by applying *paragraph 14* to the facts of the claim. The fact that the underlying transaction dates back to 1989 does not, by itself, permit this Court to dispense with the adjudicatory process contemplated by the Master Circular.

31. The submission regarding *locus* stands on substantially the same footing. The Petitioner contends that the Complainant is not the registered shareholder and has not produced any valid instrument establishing his entitlement to assert a claim in respect of the Base Shares or Bonus Shares. The Complainant, on the other hand, asserts a contrary entitlement. This is a disputed question going to the maintainability and substantive basis of the claim. It cannot, in our view, be conclusively determined in the present writ proceedings merely on the basis of the Petitioner's assertion.

32. We are equally unable to accept the submission that the nature of the grievance, by itself, takes the dispute outside the ODR framework. The Master Circular expressly contemplates disputes between investors/clients and listed companies and specified intermediaries or regulated entities, including disputes concerning services rendered in the securities market. Whether the particular relief claimed by the Complainant falls within that regulatory framework is, once again, a matter to be considered having regard to the precise pleadings and nature of the claim.

33. We therefore return to the Petitioner's principal objection concerning MSE. The mere fact that the Petitioner's securities are not listed on MSE is not, in isolation, sufficient to determine the issue. What is required to be examined is whether, having regard to *paragraph* 16(a) of the Master Circular, MSE was competent to administer the reference in the particular circumstances of the present case. The material before us indicates that the complaint was allotted to MSE through the ODR Portal under the allocation mechanism established by SEBI and that the matter thereafter proceeded through conciliation. The Conciliation Officer also recorded his finding on limitation before the matter proceeded to the arbitral stage.

34. We are not persuaded, in the facts before us, that the allocation of the complaint to MSE constitutes such a patent and demonstrable absence of authority as would justify this Court in preventing the arbitral process at the threshold. This conclusion, however, is confined to the exercise of writ jurisdiction and shall not preclude the Petitioner from raising before the arbitral forum its objection that the reference was not maintainable before

an ODR Institution empaneled by MSE having regard to *paragraph* 16 of the Master Circular.

35. We make it clear that we have not adjudicated upon the Petitioner's objections on limitation, *locus*, maintainability, *res judicata*, abuse of process or the substantive entitlement asserted by the Complainant. All such objections remain open to the Petitioner and may be urged before the arbitral forum in accordance with law.

36. The Petitioner's contention that it ought not to be compelled to participate because, according to it, the complaint is frivolous also cannot be accepted as a ground for interdiction of the proceedings. The Master Circular does not confer upon a Market Participant a unilateral power to declare a complaint frivolous and, on that basis, withdraw from the ODR mechanism. If the Petitioner contends that the complaint is barred, repetitive, not maintainable or otherwise liable to be rejected, those objections may be placed before the arbitral forum.

37. We are therefore of the view that the impugned communications dated 24th October 2024 and 26th November 2024 cannot, on the material presently before us, be characterized as *ex facie* void or without authority, so as to warrant their quashing in exercise of writ jurisdiction. We reiterate that the Petitioner's objections are not being rejected on their merits, they are being left open to be raised before the forum competent to consider them within the ODR framework.

38. In view of the above, the Petitioner shall comply with the applicable requirements communicated by Respondent Nos. 1 and 3, including payment of the applicable arbitration fees, within 14 days from the date of uploading of this order. Such compliance shall be without prejudice to the Petitioner's right to raise all objections available to it in law, including objections concerning jurisdiction, allocation, limitation, *locus*, maintainability, *res judicata*, abuse of process and arbitrability. Upon such compliance, Respondent Nos. 1 and 3 shall proceed with the arbitration in accordance with the Master Circular and the applicable rules and procedure governing the ODR mechanism.

39. For the reasons set out above, the present Writ Petition is dismissed. It is once again clarified that no opinion is expressed on the merits of the Complainant's claim or on any of the objections raised by the Petitioner, all of which are left open for consideration by the appropriate forum in accordance with law. There shall be no order as to costs.

(FARHAN P. DUBASH, J.) **(R. I. CHAGLA J.)**

Shubham Gadhavepatil

SHUBHAM SHESHRAO GADHAVEPATIL

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