(2008) 02 DEL CK 0009

In the Delhi High Court

Case No : Writ Petition (Criminal) No. 324 of 2007

K. Venkateswarlu APPELLANT

Vs

Regional Manager, SEBI RESPONDENT

Date of Decision : 25-02-2008

Acts Referred:
Constitution of India, 1950 — Article 226

Citation : (2008) 2 CompLJ 205 : (2008) 83 SCL 397

Hon'ble Judges : S.N. Dhingra, J

Bench : Single Bench

Advocate : V.K. Sagar, for the Appellant; Sudhir Kumar, U.K. Chaudhary, Sandeep Arya, Saurabh Kalia, Pervinder Tanwar and Rajdipa Behura, for the Respondent

Final Decision : Dismissed

Judgement

Shiv Narayan Dhingra, J.—This Writ Petition has been filed under Article 226 of the Constitution of India by the petitioner making following prayers:

(a) issue a writ of mandamus or any other appropriate writ directing the respondent No. 1 to conduct an enquiry regarding the price manipulation/inside trading of the respondent No. 2 scrip during the said period.

(b) direct the respondent No. 1 to file a report on the subject in this Hon''ble Court for further directions.

(c) pass such any other or further order/direction as this Hon''ble Court may deem fit and proper in the facts and circumstances of the case.

2. The petitioner has stated that he was a small investor in the shares and the price of scrip of respondent No. 2 company fluctuated vigorously first upward and then downward. The petitioner had purchased 3,000 shares of respondent No. 2 company at the rate of Rs. 476.34 and had to sell it at the rate of Rs. 454.52 thus incurring a loss of Rs. 65,451.20. He made complaint to SEBI (respondent

No. 1) bringing it to the notice of SEBI that there was ''inside trading'' and manipulation of price of scrip of respondent No. 2 company but SEBI took no action and hence this Writ Petition.

3. This Court in K. Venkateswarlu v. Regional Manager, SEBI Writ Petition (Crl.) No. 1008 of 2007 dated 7-8-2007 observed as under:

Those, who deal in stock market and purchase shares as a mode of investment, know very well that stock market is sometime in the grip of bulls and sometime in the grip of bears. Recent trend in the stock market has shown that the stock prices do not reflect the real value of the share and hike and fall in the price of the share takes place due to several factors like sudden interest of the foreign investors into Indian Stock Market or sudden fall in the stock market world over. SEBI is a specialized body constituted under the Act, which takes care of different regulations meant for stock market. SEBI is supposed to know when and where the investigation is to be done by it. This Court on the prayer of individual shareholder because of fall in price of his shares cannot give directions to SEBI to conduct investigations either itself or through CBI. It is surprising that the petitioner had come when share price of his share has fallen. He must be earning profits when share prices went up by the same process which the petitioner is alleging was responsible for fall in the share price and petitioner did not approach the Court at that time, although, petitioner is stated to be dealing in shares for the last ten years. When you suffer losses you suddenly feel that there is some manipulation and when you gain profits, the same feeling is not there. Moreover this petition is in the nature of PIL. This Court cannot entertain PILs.

I consider that the petition is not maintainable and is hereby dismissed.

3. In view of above order, I find that this petition is not maintainable and is hereby dismissed.