



W.P (L) NO. 31373 OF 2025
Hemant Vs. SEBI & Ors.

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

WRIT PETITION (L) NO. 31373 OF 2025

Hemant Kulshrestha

... Petitioner

V/s.

Securities and Exchange Board of India
(SEBI) and Ors.

... Respondents

WITH
WRIT PETITION (L) NO. 31301 OF 2025

Vinay Bansal

... Petitioner

V/s.

Securities and Exchange Board of India
(SEBI) and Anr.

... Respondents

Mr. Amit Desai, Mr. Venkatesh Dhond and Mr. Ashish Kamat, Senior Advocates, a/w Mr. Gopal Krishna Shenoy, Mr. Aditya Mithe, Mr. Shashwat Rai and Ms. Mrinali Dave i/b Keystone Partners for Petitioner in WPL/31373/2025.

Mr. Navroz Seervai, Senior Advocate a/w Mr. Prasad Shenoy and Mr. Chinmay Babhulkar i/b Mr. Akash Menon for Petitioner in WPL/31301/2025.

Mr. Shiraz Rustomjee, Senior Advocate a/w Mr. Prateek Pai, Mr. Ravishekhar Pandey and Mr. Ankit Ujjwal i/b Agama Law Associates for Respondent No.1 in both Writ Petitions.

Mr. Darius Khambata, Mr. Gaurav Joshi - Senior Advocates a/w Ms. Shruthi Sabharwal, Mr. Avinash Das, Mr. Anant Mishra, Mr. Ayan Tandon and Ms. Prachi Gupta i/b Shardul Amarchand Mangaldas & Co. for Respondent No.2 in both Writ Petitions.

Mr. Janak Dwarkadas, Senior Advocate a/w Mr. Ravitej Chillumuri, Ms. Aishwarya Singh and Ms. Sanya Gandhi i/b Khaitan & Co. for Respondent Nos. 3 and 7 in WPL/31373/2025.

Mr. Ravi Kadam, Senior Advocate a/w Mr. Ravitej Chilumuri, Ms. Aishwarya Singh and Ms. Sanya Gandhi i/b Khaitan & Co for Respondent Nos. 4, 5 and 6 in WPL/31373/2025.

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

**RESERVED ON : 8TH OCTOBER 2025
PRONOUNCED ON : 1ST DECEMBER 2025**

JUDGMENT (Per Farhan P. Dubash J.) :

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INTRODUCTION

1. One of the main risks that a company coming out with an IPO faces is whether such offering would find favour with the public and be fully

subscribed. However, in recent years, an additional risk has surfaced and some IPO's are put to active judicial scrutiny of courts, like in the case before us, where two Petitioners have come forward and raised somewhat similar grievances to the IPO taken out by WeWork India. This order considers whether their grievances are well founded and merit intervention from the Court.

2. A perusal of the reliefs sought in both these Writ Petitions filed on 30th September 2025 would reveal that, essentially, they seek to make a complaint against the lack of proper disclosure in the Draft Red Herring Prospectus (**DRHP**) and Red Herring Prospectus (**RHP**) for the Initial Public Offering (**IPO**) of WeWork India Management Private Limited, (**WeWork India**) Respondent No.2 in both Writ Petitions. They further seek a direction against the Securities and Exchange Board of India (**SEBI**) Respondent No.1 therein to dispose of the complaints made by both the Petitioners in that regard by passing a reasoned and speaking order. They also seek interim reliefs that the proposed public issue and/or listing of securities of Respondent No.2 on any recognized Stock Exchange in India be kept in abeyance.

3. Since, there is commonality in the reliefs sought in both Writ Petitions, with the consent of all parties, they were heard together and it was

agreed that they would also be disposed of by a common order.

4. At this stage itself, it would be necessary to point out that under the IPO, the Bidding Date for Anchor Investors was 1st October 2025 whereas the Bid/Offer opened to Public/Investors on 3rd October 2025 and closed (to all Investors) on 7th October 2025. Since both the Writ Petitions were filed only on 30th September 2025 and considering the convenience of all the advocates appearing therein, hearings were held on 1st October 2025, 3rd October 2025 and 8th October 2025. As a result, since the arguments came to be concluded after the closure of the Offer Period, with the consent of all the parties, it was decided that the Petitioners would not seek for the IPO and/or the proposed Public Issue and/or listing of securities on the Stock Exchange to be kept in abeyance, pending the final disposal of the present Writ Petitions but would instead press the alternate interim relief that seeks an order from this Court calling upon SEBI to direct WeWork India to amend the Offer Documents - DRHP/RHP with such disclosures as would be considered necessary by this Court. Moreover, considering the urgency in the matters, all the parties agreed that the Respondents would be permitted to argue the matter without filing any affidavit in reply but they would be entitled to rely upon documents during the course of their arguments which has since been done by filing a compilation of documents.

5. All the parties in both Writ Petitions were represented by Senior Advocates of this Court. *On the one hand*, Mr. Venkatesh Dhond, Mr. Amit Desai and Mr. Ashish Kamat, appeared on behalf of Hemant Kulshrestha, the Petitioner in Writ Petition (L) No.31373 of 2025, whilst Mr. Navroz Seervai appeared on behalf of Vinay Bansal, the Petitioner in Writ Petition (L) No.31301 of 2025. *On the other hand*, Mr. Shiraz Rustomjee, appeared on behalf of Respondent No.1 - SEBI whilst Mr. Darius Khambata and Mr. Gaurav Joshi appeared on behalf of Respondent No.2 - WeWork India. In Writ Petition (L) No.31373 of 2025, the Petitioner has also impleaded the Book Running Leading Managers (**BRLMs**) of WeWork India's IPO, as Respondent Nos. 3 to 7 therein. These BRLMs have not been impleaded in the other Writ Petition (L) No. 31301 of 2025. Accordingly, Mr. Janak Dwarkadas appeared on behalf of two of the said BRLMs viz. Respondent Nos. 3 and 7 therein, whilst Mr. Ravi Kadam appeared on behalf of the other three BRLMs viz. Respondent Nos. 4 to 6 therein.

BRIEF BACKGROUND

6. In order to properly appreciate the issues that arise for consideration in both these Writ Petitions, it would be necessary to refer in brief, to the factual backdrop, the details whereof are enumerated hereinbelow:

7. On or about 31st January 2025, WeWork India filed a DRHP with SEBI for launching its IPO which was reported by various media agencies. Thereafter, in or around March 2025, SEBI had placed the said IPO in abeyance, which fact is stated to have come to the knowledge of the Petitioners through various news reports. Subsequently, sometime in or around July 2025, SEBI had removed the said IPO and the DRHP from its *abeyance list* and an addendum to the DRHP also came to be issued on 18th August 2025. On 27th September 2025, it appears that the RHP was published and filed before SEBI the next day.

8. During this period, Hemant Kulshrestha, the Petitioner in Writ Petition (L) No.31373 of 2025 had filed a complaint/e-mail to the BRLMs, with a copy marked to SEBI, complaining of various non-disclosures/misleading disclosures made in the DRHP, which came to be responded to by the said BRLMs on 27th September 2025 *inter alia* denying the said allegations and confirming that all the disclosures therein were made in compliance with the Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2018, the Companies Act, 2013 and all other applicable laws. On the same date, WeWork India also responded to this e-mail/complaint denying the allegations and statements made against it and is stated to have issued a response, similar to that of the BRLMs. Since the Petitioner was not satisfied with these responses, he addressed an e-mail

dated 29th September 2025, this time around, to the independent Directors of WeWork India with his grievances and also copied SEBI and the BRLMs on the same.

9. On the other hand, Vinay Bansal, the Petitioner in Writ Petition (L) No.31301 of 2025 appears to have been a little more diligent, inasmuch as, he filed his complaint dated 20th August 2025 on 25th August 2025 with SEBI seeking return of the DRHP and withholding of the IPO, on account of the various grievances raised by him therein which *interalia* included gross mis-statements and material non-disclosures that were stated to be made therein. By its letter dated 11th September 2025, WeWork India is stated to have responded to him and denied all the allegations made by him.

10. Under these circumstances, both Petitioners are aggrieved since their complaints were not suitably redressed by SEBI, WeWork India and the BRLMs, and which is stated to have constrained them to approach this Court by invoking its extra-ordinary jurisdiction exercised under Article 226 of the Constitution of India.

SUBMISSIONS OF THE PETITIONER IN WRIT PETITION (L) NO. 31373 OF 2025

11. Mr. Dhond has invited our attention to the DRHP and the RHP, and in particular to Section VI thereof, which is stated to contain, “*Legal and Other Information*”. He submits that under Clause V thereunder, which

relates to, '*Litigation involving the Promoters*' and in particular, sub-clause (A) thereof, which provides '*Details of the Litigation against the Promoters*', not only is there misrepresentation of proper facts and details of the pending litigation against the Promoters of WeWork India made therein but there is also gross and deliberate suppression of information therefrom. Mr. Dhond has painstakingly taken us through the said disclosures and submits that though the same mention the filing of a chargesheet by the Central Bureau of Investigation (**CBI**) against the Promoters of WeWork India, there is a deliberate and selective mention therein, only to offenses under Sections 120(b) and 420 of the Indian Penal Code, 1860 (**IPC**), whilst the other and more serious offenses, under Sections 409 and 477A of the IPC, which were also made in the same chargesheet, have been conveniently omitted therefrom. Mr. Dhond further submits that the disclosures also fail to clearly reveal that besides this chargesheet filed by CBI, there is another chargesheet which has been filed against the Promoter of WeWork India, in proceedings initiated by the Enforcement Directorate (**ED**) under the Prevention of Money Laundering Act, 2002 (**PMLA**).

12. Mr. Dhond has also invited our attention to Section II of the DRHP and the RHP which sets out various '*Internal Risks*' that are required to be disclosed, and which, he submits, the public at large are required to

take cognizance of whilst making an informed decision on whether to invest their hard earned monies in and subscribe to the WeWork India IPO. In particular, our attention was invited to the topics relating to: (i) proceedings initiated by the ED against the Promoter and Chairman of WeWork India under the PMLA and the effect of the possible adverse outcome therein, to its business, reputation, financial condition and results of operation; (ii) no proceeds from the Offer for Sale portion of the IPO would be received by WeWork India; (iii) net losses/negative net-worth incurred by WeWork India and the effect thereof, on its business; (iv) disruptions to the operation of WeWork India or events that may result in adverse impact on the WeWork Brand, which in turn could have adverse impact on its reputation, business, results of operations and financial condition; (v) legal proceedings involving WeWork India, its Promoters and Directors and the adverse impact that could be faced, if there is any adverse outcome therein; (vi) details of complaints made post the filing of the DRHP; and (vii) potential harm that could be caused to the business of WeWork India, if it is unable to adequately protect its intellectual property rights.

13. The sum and substance of the grievances made by Mr. Dhond is that even though these disclosures are included, both in the DRHP and thereafter in the RHP, the same are grossly inadequate inasmuch as, the same do not reveal the true and correct picture since there are not only several

mis-statements recorded therein, but there are also various omissions that are material and ought to have been included therein. He submits that despite his client's complaint highlighting these anomalies, neither SEBI nor WeWork India nor the BRLMs, (all of whom he submits, ought to have addressed his client's grievances and ensured that true and correct disclosures are made in the DRHP and RHP) have satisfactorily dealt with the said complaint.

14. He submits that there is no delay on his client's part in approaching this Court and points out that even though the DRHP was published as far back as on 31st January 2025, it was kept in abeyance by SEBI from February 2025 till July 2025, and it is only thereafter that his client properly scrutinized the (voluminous) document, which culminated in his complaint dated 27th September 2025 being made and which has been summarily disregarded, given the stereotype response received from the BRLMs and WeWork India of even date. He submits that his clients' subsequent letter dated 29th September 2025 has not been responded to and hence, the present Writ Petition came to be filed on 30th September 2025. Mr. Dhond also points out that given the present Writ Petition, which highlights grievances against the inaction on the part of SEBI (who is the Market Regulator and who is duty bound to protect the interest of all depositors in the country), mere delay by itself, can never be made an issue and disentitle

the petitioner to maintain the Writ Petition or to the interim reliefs, sought therein.

15. Insofar as the locus of his client to maintain the present Writ Petition is concerned, Mr. Dhond submits that the ICDR Regulations expressly permit potential investors to raise objections to the contents of the Offer Documents that are published and if the authorities fail to properly redress such grievances, parties (like his client) have no other option but to approach this Court exercising extraordinary jurisdiction under Article 226 of the Constitution of India by filing a Writ Petition, as has been done in the instant case.

16. Considering the events that have transpired in the matter, Mr. Dhond submits that his client has no intentions to scuttle or thwart the IPO of WeWork India, but rather, he only seeks that the Offer Documents, including the DRHP and the RHP should contain all the relevant disclosures with true and proper facts, so that the public at large and potential investors, (like his client), are not misled into investing their hard earned monies into the IPO.

17. Mr. Amit Desai highlights the serious criminal charges faced by the Promoter/s of WeWork India in the pending criminal proceedings and the repercussions thereof, if such proceedings were to result in a conviction and

adds that the disclosures in the DRHP and RHP are materially incomplete and misleading and ought to have set out the fact that in the chargesheet filed by CBI against the Promoter/s of WeWork India, there are charges drawn for grave offenses under Section 409 and 477-A of the IPC and Section 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988.

18. Mr. Desai further points out that though the disclosures are made in the Offer Documents about pending criminal proceedings seeking quashing of the CBI chargesheet being filed before the High Courts of Telangana and Andhra Pradesh, there is a deliberate omission to mention the fact that no stay has been granted in favour of the Promoter/s of WeWork India in the said proceedings. Mr. Desai also submits that even though there are disclosures to the proceedings initiated by the ED against the Promoter/s of WeWork India (in relation to the same subject matter under which proceedings were launched under the PMLA against them), there is no disclosure that in addition to the F.I.R., a chargesheet has also been filed against the said Promoter/s which includes charges under Section 3 and 4 of PMLA and there are also no details provided, of the offenses that initiated the said investigation. Thus, Mr. Desai joins Mr. Dhond in submitting that the DRHP and the RHP contain gross mis-statements and lack full and complete disclosures and particulars containing the true and correct facts, and as a

result, there is a necessity for this Court to interfere in the matter by granting the interim reliefs sought in the present Writ Petition.

SUBMISSIONS OF THE PETITIONER IN WRIT PETITION (L) NO. 31301 OF 2025

19. To a large extent, the arguments advanced by Mr. Seervai endorse those, made by Mr. Dhond and Mr. Desai (in the companion Writ Petition). However, in addition, Mr. Seervai makes a more fundamental submission, which is discussed hereunder.

20. Mr. Seervai submits that WeWork India could never have been permitted by SEBI to come out with an IPO. In support, he relies on the contents of General Order No.01 of 2012 issued by SEBI on 9th November 2012 under section 11A of the SEBI Act 1992 relating to SEBI (Framework For Rejection of Draft Offer Documents) Order, 2012. He has taken us through various Sections of the DRHP and the RHP to support his said contention that SEBI ought to have rejected the DRHP and RHP of the WeWork India IPO. Whilst referring to Section V thereof, which contains *Financial Information* of WeWork India, Mr. Seervai has highlighted the fact that WeWork India had incurred net losses in Financial Year (F.Y.) 2024, 2023 and 2022 and as on 31st March 2024, also had a negative net worth of Rs. 437.50 Crores and relying thereon, submitted that SEBI ought not to have permitted such a company to come out with an IPO where the proceeds of

the IPO only provide an exit to its existing Promoters, especially in the present case, where he submits that WeWork India only has a license to a brand and to use office space. Mr. Seervai supports his submission by inviting our attention to the *objects of the offer* that are mentioned in the Offer Documents which categorically state that WeWork India will not receive any proceeds from the offer and that the entire proceeds therefrom, would instead go to the selling shareholders, after deducting a portion of the offer expenses and relevant taxes thereon.

21. Next, Mr. Seervai invites our attention to the business of WeWork India and in particular, on the brand name “*WeWork*” by relying on the amended and restated Operations and Management Agreement (**OMA**) dated 30th December 2024 entered into between WeWork India and WeWork International Limited (**WeWork International**) under which, WeWork International has merely given a limited and exclusive non-transferable license to WeWork India to develop, own and operate centers in India, on the terms and conditions set out therein. Mr. Seervai is at pains to point out the relevant provisions of the OMA which *inter alia* provides that if the Promoters of WeWork India are convicted by any court in any criminal offense, they would cease to be its Key Managerial Personnel (**KMP**) and this would immediately result in WeWork International, terminating its license to the “WeWork” brand given to WeWork India. The grievance made by Mr. Seervai

by highlighting this particular issue is that the Offer Documents ought to have expressly mentioned the above details and consequences and by not doing so, the public at large is being mis-guided and/or mis-informed into investing in the said IPO.

22. By relying on the chargesheets filed against the Promoter/s of WeWork India by the EOW and the CBI and also by the ED, Mr. Seervai argues that SEBI ought to have applied the 'fit and proper' criteria which it rigorously applies to its registered intermediaries including their Directors and Key Managerial Personnel who are required to meet the 'fit and proper' standards, as prescribed under Schedule II of the SEBI (Intermediaries) Regulations, 2008 and in particular, Clause 3(ii) thereof, which provides that if a chargesheet has been filed by any Enforcement Agency (like EOW, CBI, ED, etc) in cases involving economic offences and is pending against a Director, such individual shall be deemed not to meet the 'fit and proper' criteria and would be ineligible to be appointed or continued as a Director of the Intermediary. Mr. Seervai submits that the same principles, or at least similar rigorous standards, ought to apply in the context of Promoters and Directors of companies seeking to raise public funds through an IPO and submits that, in such circumstances, since Mr. Jitendra Virwani and Mr. Karan Virwani, the Promoters of WeWork India are facing grave and serious allegations which are the subject matter of multiple chargesheets filed

against them, they should not be permitted to remain on the Board of a 'soon to be listed' entity that seeks to raise public funds through an IPO. Relying on these submissions, Mr. Seervai also reiterates the submissions made by Mr. Dhond and Mr. Desai and states that true and correct disclosures ought to be directed to be made by WeWork India in the Public Offer Documents.

23. Mr. Seervai relies on the complaint dated 20th August 2025 filed by his client on 25th August 2025 with SEBI and states that the same has not been responded to, save and except by a letter dated 11th September 2025 received from WeWork India, casually denying all the allegations made by his client. He submits that the authorities and in particular SEBI, have failed to satisfactorily deal with the grievances raised by his client and it is only upon such failure on their part to do so, that his client had no other remedy but to approach this Court, immediately upon learning from various news reports on 28th September 2025 that WeWork India was scheduled to launch its IPO in the coming week. He therefore presses for the interim reliefs sought by his client.

24. In support of the reliefs sought by his client, Mr. Seervai relies on an order dated 3rd December 2024 passed by SEBI in the matter of Trafiksol ITS Technologies Ltd where SEBI had directed the company (Trafiksol) to refund the money paid by investors who had been allotted

shares in the IPO on account of various irregularities committed by the company. He also relies on the decision of the Division Bench of the Delhi High Court in *DLF Ltd. and Ors. Vs. Kimsuk Krishna Sinha*¹ and the earlier decision of the Single Judge in *Kimsuk Krishna Sinha Vs. Securities and Exchange Board of India and Ors.*². In that decision, the Division Bench had exercised jurisdiction under Article 226 of the Constitution of India by entertaining the Writ Petition and set aside the earlier order of the single judge on the ground that SEBI had failed to consider the complaints made to it against the proposed public issue. Thus, by this order, the Division Bench directed SEBI to take a decision on the said complaints made by the Complainant/Respondent therein and communicate the same to the parties. Mr. Seervai submits that a similar order ought to be passed by this Court in the present case since SEBI has failed to consider his clients' complaint.

RESPONSE OF RESPONDENT NO. 1 - SEBI

25. *Per contra*, Mr. Shiraz Rustomjee opposes the reliefs sought by the Petitioners on the ground that neither of them have satisfactorily explained the delay in approaching this Court. In the case of the Writ Petition filed by Hemant Kulshrestha, Mr. Rustomjee points out that the Petitioner has not satisfactorily explained the delay in making his complaint on 25th September 2025, for the first time, when the DRHP was published as long

¹ 2011 SCC Online Del 5605

² 2010 SCC Online Del 1448

back as on 31st January 2025. He argues that even if his contention were to be accepted that the DRHP was kept in abeyance between February 2025 and July 2025, there is no plausible reason afforded by him that explains the delay between July 2025 and 25th September 2025, the day on which he complained to SEBI as regards the contents of the DRHP. Insofar as, Vinay Bansal's Writ Petition is concerned, Mr. Rustomjee points out that he too has failed to justify the delay in making his complaint on 25th August 2025 for the first time. He thus cites delay, as the *first ground* which disentitles the Petitioners to the interim reliefs sought by them.

26. *Next*, Mr. Rustomjee points out that neither (of the two) Writ Petitions have been filed in the nature of a Public Interest Litigation (**PIL**). Nonetheless, he submits that both Petitioners appear to be espousing the cause on behalf of the public-at-large by asserting that the contents of the DRHP and the RHP are misleading and inadequate, *interalia* pointing out various deficiencies therein. However, by inviting our attention to the contents of both Writ Petitions, he submits that both the Petitioners clearly appear to be fully aware, not only of the facts that are stated to be misleading in the DRHP and the RHP but also of the inadequacies therein. As a result, he argues that the Petitioners cannot allege of (they) having being misled or misguided into investing in the said IPO. Thus, Mr. Rustomjee questions the *locus* of both the Petitioners in approaching this Court and that

too, at a belated stage and submits that on this ground also, no reliefs ought to be granted in their favour.

27. *On merits*, Mr. Rustomjee relies on the ICDR Regulations and in particular, those contained in Part VI thereof, which relate to '*Disclosures and filing of Offer Documents*'. Our attention is also invited to Section 30 of the Securities and Exchange Board of India Act, 1992 which empowers SEBI to make these Regulations and in particular, to Section 31 thereof, which provides for parliamentary sanction to such Regulations, published by SEBI. He submits that as per the said Regulations, the primary obligation and responsibility for ensuring the accuracy and correctness of the disclosures made in the DRHP and RHP, lies on the Lead Manager/s, (the BRLMs, in the present case of the WeWork IPO) who are required to comply with the requisite (and other) Regulations and liaise with SEBI in that regard. He also relies on Part VIII of the said Regulations, which deals with '*Issuance conditions and Procedure for a company which is seeking to list its IPO*'. He submits that it is precisely to facilitate, streamline and standardize the issuance of securities, that SEBI had come out with these Regulations to provide a structure for companies to follow when offering securities to the public, including *interalia* through an IPO. Whilst on this point, Mr. Rustomjee informs the Court that during the Financial Year 2024-25, about 190 IPOs were launched in the country and if the Petitioner's contention

were to be accepted, the staff/machinery of SEBI would be occupied only in preparing/vetting the contents of the voluminous offer documents of these IPOs.

28. In this regard, Mr. Rustomjee invites our attention to the letter dated 8th July 2025 addressed by SEBI, to one of the BRLMs of the IPO viz. JM Financial Limited - Respondent No.3 in Writ Petition (L) No.31373 of 2025, and submits that by this detailed letter which runs into seventeen pages, SEBI had applied its mind to the contents of the DRHP by pointing out and suggesting various modifications, changes and explanations that were required to be made or included in the DRHP, and which has since also been acted upon and made/incorporated in the RHP. To corroborate this assertion, our attention is invited to Section II of the RHP containing the '*Risk Factors*' and in particular, to the item listed at Serial No. 1 under the heading '*Internal Risks*' which discloses the proceedings initiated by the ED against the Promoters and Chairman of WeWork India under the PMLA and the possible effect of any adverse outcome therein to the business and reputation of WeWork India. He submits that this item had initially appeared under '*Section VI*' of the DRHP which discloses various outstanding litigation proceedings against the Company and its Promoters and it was only at SEBI's instance, and pursuant to its letter dated 8th July 2025 addressed to the Lead Manager, that the said item moved to the top of the list and has

now been shown at Serial No. 1 of the '*Risk Factors*' under '*Section II*' of the RHP, so that the attention of the public-at-large would be drawn to it at the very outset, when one reads the Offer Documents. He therefore submits that SEBI has discharged its obligations under the said Regulations by ensuring that the contents of the Offer Documents are in accordance with the said Regulations and other legal provisions and on this ground also, no reliefs are warranted.

29. In response to Mr. Seervai's argument that SEBI ought not to have permitted WeWork India to come out with an IPO under which, no part of its sale proceeds would accrue to the company, Mr. Rustomjee submits that the same is misconceived. He points out that Mr. Seervai's reliance on 'General Order No.1 of 2012' is incorrect, considering that SEBI has since, published the ICDR Regulations in 2018 expressly dealing with the issue of capital and disclosure requirements to be followed by an unlisted issuer (like WeWork India, in the present case) coming out with an IPO. Accordingly, he contends that post 2018, all unlisted issuers (including the Petitioner in the instant case) are required to comply with the provisions of the said ICDR Regulations which (impliedly) supersede those contained in General Order No. 1 of 2012. He has painstakingly taken us through the provisions of the ICDR Regulations including Regulation 6, which prescribes the eligible requirement for an IPO and our attention is drawn to Regulation 6(2)

thereof, which entitles an issuer, who is otherwise disentitled by virtue of Regulation 6(1), to come out with an IPO, provided that the same is made through the 'book-building process' and the issuer undertakes to allot at least seventy-five percent of the net offer to Qualified Institutional Buyers (QIBs) and to refund the entire subscription money, if they fail to do so. He also relies on Section 28 of the Companies Act, 2013 which permits members of a company in consultation with its Board of Directors to offer, part of their holding of shares to the public and submits that the WeWork IPO is entirely permissible in law.

30. Mr. Rustomjee submits that in the case of an expert regulatory body (such as SEBI, in the present case), various judicial precedents expressly stipulate that there should be minimum interference from courts. In support of this assertion, he relies on the decisions in (i) *Ashok Kumar Saxena V/s SEBI and Ors.*³ (ii) *Vishal Tiwari V/s. Union of India and Ors.*⁴ (iii) *Infrastructure Watchdog Out V/s. SEBI and Ors.*⁵ and (iv) *Infrastructure Watchdog Out V/s. SEBI and Ors.*⁶

31. Mr. Rustomjee also invites our attention to the letter dated 17th September 2025 addressed by the 5 BRLMs to SEBI, in response to the

³ Order dated 29th October 2021 passed by the Delhi High Court in Writ Petition (C) No.12429 of 2021

⁴ (2024) 4 SCC 115

⁵ Order dated 28th August 2025 passed by the Supreme Court in Civil Appeal (Diary) No. 38576 of 2025

⁶ Order dated 16th July 2025 passed by the Securities Appellate Tribunal (SAT), Mumbai in Appeal No.111 of 2025

complaint dated 25th August 2025 which was made by Vinay Bansal and thereafter forwarded by SEBI to the said BRLMs and WeWork India for their response. He submits that by this letter, SEBI was informed by the BRLMs that the said complaint was adequately responded to by their letter dated 16th September 2025. The said letter further reveals that even WeWork India had separately responded to the said complaint by its letter dated 11th September 2025. By relying on this correspondence, Mr. Rustomjee submits that SEBI has satisfied itself that the complaint made by Vinay Bansal was adequately dealt with, not only by the said BRLMs, but also by WeWork India. Accordingly, he submits that Vinay Bansal is guilty of suppression inasmuch as, his Writ Petition clearly fails to mention and/or annex the said reply dated 16th September 2025 given by the said BRLMs. Our attention is invited to this reply and it is contended that the same contains a detailed response to each and every allegation/grievance made in the said complaint. In the bargain, Mr. Rustomjee submits that Vinay Bansal has deliberately avoided impleading the said BRLMs in his Writ Petition, as has been done by Mr. Hemant Kulshrestha, the other Petitioner. He submits that on this ground alone, no reliefs ought to be granted in his favour.

RESPONSE OF RESPONDENT NO. 2 – WEWORK INDIA

32. Mr. Darius Khambata supports the arguments made by Mr. Rustomjee. In addition, he submits that the IPO is in conformity with the

requirements stipulated in the ICDR Regulations and in particular Regulation 6(2) thereof. Mr. Khambata states that 75 percent of the shares are being offered to QIBs, 15 percent are being offered to Non-Institutional Investors (NIIs) and the remaining 10 per cent are being offered to Retail Individual Investors (RIIs). Mr. Khambata reiterates that by the said IPO, the Promoters of WeWork India are not exiting from the company, as sought to be erroneously urged, but are instead, merely reducing their shareholding therein, so as to facilitate the listing of its shares on the stock exchange for which 25 percent of the company's shareholding is mandatorily required to be held by the public, as per Rule 19(2)(b)(i) of Securities Contracts (Regulation) Rules, 1957. He has also taken us through the contents of the DRHP and RHP and submits that all the allegations and grievances raised, are totally unfounded, inasmuch as, all the necessary and required disclosures have been adequately made in the Offer Documents. In addition, he points out that in the Offer Documents, there is an express disclosure to the complaints filed by the two Petitioners, together with the response/s given to such complaints by WeWork India and the said BRLMs. Moreover, Mr. Khambata points out that these complaints/replies are also included in Section IX of the RHP which relates to '*Material Contracts and Documents for Inspection*' wherein full disclosures of both complaints and the responses

thereto has been made and the public at large is also invited to inspect such correspondence, if they so desire.

33. Mr. Khambata tenders a copy of an online report issued by the Press Trust of India dated 2nd October 2025 which records that since the opening of the WeWork India IPO to Anchor Investors/QIBs on 1st October 2025, the IPO has already collected a huge sum of Rs. 1348 Crores from Mutual Funds such as ICICI Prudential Mutual Fund, HDFC Mutual Fund, Motilal Oswal Mutual Fund, Aditya Birla Sun Life Mutual Fund, Axis Mutual Fund, Canara Robeco Mutual Fund as well as from Insurance Firms such as Canara HSBC Life Insurance, SBI General Insurance, Kotak Mahindra Life Insurance and Bajaj Allianz Life Insurance. The said report also records that Global Investors such as Goldman Sachs Funds, AI Mehwar Commercial Investments LLC (Wanda) and Allianz Global Investors have invested in the said IPO. By relying on this report, he has contended that such reputed entities would not have invested in the WeWork IPO, if they had found any anomalies in the Offer Documents, as dishonestly sought to be contended by the Petitioners.

34. Lastly, he questions the motives of the Petitioners by filing this litigation at such a belated stage and submits that the same is obviously done for oblique reasons, which are not far to seek. Mr. Khambata submits that

both the Petitioners have also approached this Court after an unexplained delay and on this ground, no reliefs ought to be granted in their favour. He relies on the decisions of the Supreme Court in **Karnataka Power Corporation Ltd. and Anr. vs. K. Thanjgappan and Anr.**⁷ and **Chennai Metropolitan Water Supply and Sewerage Board and Ors. vs. T.T. Murali Babu**⁸ in that regard. He therefore submits that there is no merit in the allegations raised in both Writ Petitions and the same ought not to be entertained by this Court.

35. Mr. Gaurav Joshi adds that in the past, several loss-making companies such as One 97 Communications Ltd., Swiggy Ltd., and Zomato Ltd. have come out with an IPO. He further points out that Hyundai Motor India Ltd. and Bharti Hexacom Ltd. had, in the past, successfully come out with IPOs wherein, their Promoters had offered their shares to the public. He therefore submits that these objections raised by the Petitioners are entirely misconceived and ought not to be countenanced by this Court. Mr. Joshi informs this Court that in accordance with the timeline of the WeWork India IPO, it was *open* to Anchor Investors on 1st October 2025 and subsequently, to RIIs on 3rd October 2025 and has since, *closed* for all investors on 7th October 2025, after which, the requisite Prospectus has also been filed with SEBI. We are also informed that the shares are due to be allotted on 9th

⁷ (2006) 4 SCC 322

⁸ (2014) 4 SCC 108

October 2025 after which, they would be listed on the stock exchange the following day viz. on 10th October 2025.

RESPONSE OF RESPONDENT NO. 3 TO 7 (BRLMs) IN WRIT PETITION (L) NO. 31373 OF 2025

36. We have also heard Mr. Janak Dwarkadas who appears on behalf of Respondent Nos. 3 and 7 and Mr. Ravi Kadam who appears on behalf of Respondent Nos 4 to 6. Both of them reiterate the submissions made on behalf of SEBI and WeWork India and submit that the said WeWork IPO is in compliance with all the requirements stipulated in the ICDR Regulations and that the Offer Documents contain all the requisite details and information, as required by law. Accordingly, they submit that no interference is merited in the matter. They also raise a grievance that Vinay Bansal has deliberately avoided impleading the BRLMs in his Writ Petition which instead, proceeds on a false premise that his complaint has not been adequately responded to, which is now shown to be false and on this ground, no reliefs ought to be granted in his favour.

ANALYSIS AND FINDINGS

37. We have considered the submissions made by all the parties and also gone through the voluminous record with their assistance. We first, deal with the submission that the WeWork India IPO ought not to have been

permitted by SEBI on account of the same being impermissible under the provisions of the General Order No.01 of 2012.

38. A perusal of the said General Order would reveal that the same has been issued by SEBI *interalia* laying down general criteria, subject to which, draft Offer Documents filed for issue of securities may be rejected by it. This includes a case where SEBI has reasonable grounds to believe that the adequacy and quality of disclosure in such Offer Documents are not satisfactory or when it is of the view that, by such disclosures, an investor may not be able to clearly evaluate the risks associated with the issue. The said General Order also clearly stipulates that SEBI does not regulate on merits, or approve the document of offer/issue of securities, but instead, only mandates a true, fair and adequate disclosure to be made, so that investors are put on notice, and may exercise due diligence and caution whilst taking a decision on whether to subscribe to the issue. Moreover, a perusal of the said General Order would also reveal that the same only contains broad criteria on the basis of which draft Offer Documents would be scrutinized by SEBI and basis which, SEBI may exercise its discretion and reject the same. Hence, it is quite clear that the said General Order is clearly directory and not mandatory. In these circumstances, the reliance on its provisions/clauses by Mr. Seervai and his resultant argument that since the WeWork IPO falls foul

of the requirements stipulated therein, is in our view, without any merit. Even otherwise, Clause (2) of the said General Order expressly states that the criteria specified for rejection are only illustrative and indicative, and are only in the nature of general standards. Sub-clause (iv) therein, further clarifies that the mere triggering of any or a few criteria mentioned in the said General Order cannot be regarded as an automatic case for rejection and that in all such cases, a final view on rejection shall be taken by SEBI, after considering the materiality of the findings and facts and circumstances of each case.

39. In any event, it appears that the reliance of Mr. Seervai on this General Order issued by SEBI on 9th October 2012 is also erroneous on account of the fact that subsequently, on 11th September 2018, SEBI has notified the ICDR Regulations, 2018. As a result, Mr. Rustomjee appears to be correct in his submission that the provisions of the said General Order are superseded, at least to the extent of the provisions contained in the ICDR Regulations. A perusal of the ICDR Regulations clearly reveal that they contain an exhaustive list of requirements that are required to be complied with by an Issuer coming out with an IPO. These are found in Regulation 6 of the said ICDR Regulations. For the sake of convenience and ready reference, it would be advantageous to reproduce the relevant regulation(s) hereunder :-

6(1) An issuer shall be eligible to make an initial public offer only if :

a) it has net tangible assets of at least three crore rupees, calculated on a restated and consolidated basis, in each of the preceding three full years (of twelve months each), of which not more than fifty per cent are held in monetary assets :

Provided that if more than fifty per cent of the net tangible assets are held in monetary assets, the issuer has utilised or made firm commitments to utilise such excess monetary assets in its business or project;

Provided further that the limit of fifty per cent. on monetary assets shall not be applicable in case the initial public offer is made entirely through an offer for sale.

b) it has an average operating profit of at least fifteen crore rupees, calculated on a restated and consolidated basis, during the preceding three years (of twelve months each), with operating profit in each of these preceding three years;

c) it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each), calculated on a restated and consolidated basis;

d) if it has changed its name within the last one year, at least fifty per cent. of the revenue, calculated on a restated and consolidated basis, for the preceding one full year has been earned by it from the activity indicated by its new name.

(2) An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.

40. Thus, it is seen that even though an Issuer does not satisfy the conditions stipulated under Sub-Regulation (1) of Regulation 6, it would none-the-less be eligible to make an IPO if the issue is made through the book-building process and it undertakes to allot at least seventy-five percent of the net offer to Qualified Institutional Buyers (QIBs) and further undertakes to refund the full subscription money, in the event it fails to do so. In the present case, the Offer Documents clearly reveal that the WeWork India IPO is being made through the book-building process. This position is clearly disclosed in the RHP which states that: *“The Offer is being made through the Book Building Process, in compliance with Regulation 6(2) and Regulation 31 of the SEBI ICDR Regulations”*.⁹ The other requirement of the Issuer undertaking to allot at least seventy-five percent of the net offer to QIBs is also satisfied from the statements made in the RHP¹⁰. Hence, it is evident that the WeWork India IPO is in compliance with Regulation 6(2) of ICDR Regulations and is therefore permissible. There is no infirmity on the part of SEBI in permitting WeWork India in making this IPO, contrary to what has contended by Mr. Seervai. Accordingly, we are not inclined to accept the arguments of Mr. Seervai that WeWork India, on account of making losses in F.Y. 2022, 2023 and 2024 and having a negative net worth as on 31st March

⁹ WeWork India, *Red Herring Prospectus*, Section VII (‘Offer Related Information’), ‘Offer Structure’, p. 529.

¹⁰ WeWork India, *Red Herring Prospectus*, Section VII (‘Offer Related Information’), ‘Offer Structure’, p. 529.

2024, is disentitled from coming out with the said IPO.

41. Section 28 of the Companies Act, 2013 expressly permits the offer of sale of shares of a company by its members, provided that, such offer is in consultation with the company's Board of Directors and in accordance with the provisions of law. The section further provides that the document through which the offer of sale to the public is made is deemed to be a *prospectus* issued by the company, and that all laws and rules made thereunder, governing the contents of the *prospectus*, would apply as if it is a *prospectus* issued by the company. In the present case, through the WeWork India IPO, its Promoters are offering (part of) their shares to the public. This offer is in consultation with its Board of Directors and made through the offer documents, DRHP and RHP which are deemed to be a *prospectus* and are therefore, in compliance with the ICDR Regulations. We also find that by this IPO, the Promoters of WeWork India do not seek to exit, as erroneously sought to be contended but are merely reducing their shareholding in the company to facilitate its listing on the stock exchange, for which twenty-five percent of its shareholding is required to be held by the public, as prescribed under Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957. Accordingly, we are of the considered view that there is no merit in the main argument advanced by Mr. Seervai that SEBI could not have permitted the said WeWork India IPO on account of it falling

foul of the applicable legal requirements.

42. There is also no merit in the submission made by Mr. Seervai that SEBI ought to apply the 'fit and proper' criteria prescribed under Schedule II of the SEBI (Intermediaries) Regulations, 2008 since no such requirements are prescribed in the ICDR Regulations which exhaustively deal with the requirements to be complied with by an issuer coming out with an IPO.

43. Let us now deal with the other ground of the disclosures in the DRHP and RHP being incomplete and/or misleading and, as a result thereof, inadequate for the public to make an informed decision on whether to invest in the IPO. In this regard, the Petitioner's grievances are two-fold: *firstly*, that there is no complete disclosure of all the sections of the relevant statutes under which chargesheets have been filed against the Promoters of WeWork India, and *secondly*, that the effect and consequence of any conviction pursuant to such chargesheets on the 'WeWork' brand held by WeWork India has not been adequately disclosed.

44. Insofar as the first grievance is concerned, we have observed that the DRHP and RHP mention and provide details of the chargesheets filed against the Promoters of WeWork India and disclose particulars of

various litigations involving them and WeWork India at several places. Since the DRHP has given way to RHP, we will consider the adequacy of disclosures made in the RHP for the purposes of this order. To address this contention, reference is made to the pertinent portions of the RHP where the said disclosures are enumerated:

(i) Table summarizing the outstanding litigation involving the Company, its Directors, Promoters and various other Personnel.¹¹

(ii) The “Risk Factors” enumerated under Section II of the RHP includes disclosures relating to ongoing litigation proceedings against the company and its Promoters.¹²

Under this section, there are a number of ‘Internal Risks’ which have been enumerated for the general public which they can consider before they subscribe to the shares of WeWork India. One of the risks which has been disclosed gives details of the proceedings which had been initiated by the ED against the Promoter and Chairman of WeWork India - Mr. Jitendra Virwani in 2014 under the PMLA, 2002 and the risks involved in if there is any adverse outcome in the same.¹³

¹¹ WeWork India, *Red Herring Prospectus*, ‘Summary of Outstanding Litigation’, p. 21.

¹² WeWork India, *Red Herring Prospectus*, Section II (“Risk Factors”), pp. 45–112

¹³ WeWork India, *Red Herring Prospectus*, Serial No. 1 of ‘Internal Risks’, p. 46.

(iii) The “Legal and Other Information” as enumerated under Section VI of the RHP gives details of all outstanding litigation proceedings involving the company, subsidiaries and directors. The additional details of the criminal proceedings initiated against the promoters of WeWork India are disclosed therein.¹⁴

(iv) The ‘Forward-Looking Statement’ enumerated under Section I of the RHP lists certain significant factors that could cause WeWork India’s actual results to differ materially.¹⁵ Serial No. 1 thereof expressly discloses that any adverse outcome in the proceedings initiated by the ED against Mr. Jitendra Virwani, promoter of WeWork India under the PMLA could materially affect the company.

(v) Serial No. 12 of the ‘Internal Risks’ at page 55 of the RHP also contains brief details of the outstanding legal proceedings faced by WeWork India, its Promoters etc. and the possible risks of any adverse outcome therein to its business.

45. Upon a detailed perusal of all these disclosures, we find that the same clearly reveal the chargesheets filed against the

¹⁴ WeWork India, *Red Herring Prospectus*, p. 491

¹⁵ WeWork India, *Red Herring Prospectus*, ‘Forward-Looking Statement’, p. 43

Promoter/s of WeWork India, both by CBI as well as, the ED.

Moreover, we also note that even though one chargesheet was filed under Section 120B, 420, 409, 477A of the IPC and Section 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988, there is reference to only Sections 120B and 420 in the RHP whilst the other sections are not mentioned. We are not however impressed with the argument that this results in incorrect and/or inaccurate disclosures being made by WeWork India, inasmuch as, the disclosures made in RHP clearly reveal that the chargesheet was filed under several provisions, **including** Section 120B and 420 of the IPC thereby clearly indicating that charges under other provisions have also been framed against the said Promoter/s. Moreover, the common man is not expected to know the exact (nature of the) offense by merely looking at the relevant section(s) that is disclosed. Thus, upon going through the RHP and reading about the chargesheet(s) filed against the promoter(s) of WeWork India, to an investor, who is otherwise not familiar with the provisions of the IPC, the mere filing of chargesheet against the Promoter (of the Issuer) would be enough to deter him from investing in the IPO. On the other hand, where an investor is familiar with the provisions of the IPC, he will be put to notice that in addition to Sections 120B and 420 (that are disclosed

in the RHP), charges have also been framed under other provisions of the IPC – in which case, such investor could make further inquiries in that regard, if he so desires.

46. In any event, under Serial No. 26 of the ‘Internal Risks’ in the RHP, there is a comprehensive table which sets out details of all the complaints made against WeWork India, its Promoters and members of the Promoters group together with the response/s given thereto by WeWork India/BRLMs, as the case may be.¹⁶ At Serial No. 5 of this table, there is a disclosure of the complaint dated 20th August 2025 made by Mr. Vinay Bansal, whereas Serial No. 6 discloses the complaint dated 25th September 2025 made by Mr. Hemant Kulshrestha. We have perused the details and particulars set out in this table and we are of the view that adequate disclosures have been made therein. Not only that, but as more particularly set out at end of the said table¹⁷, all the complaints and corresponding responses by WeWork India and/or the BRMLs are also included in the “Material Contracts Documents for Inspection”, for public inspection.¹⁸

47. Moreover, in the ordinary course, one would expect that

¹⁶ WeWork India, *Red Herring Prospectus*, pp. 68-75

¹⁷ WeWork India, *Red Herring Prospectus*, p. 75

¹⁸ WeWork India, *Red Herring Prospectus*, p. 617

any investor who is alarmed to note that chargesheets have been filed against Promoter/(s) of a company issuing an IPO, would then proceed to examine the entire contents of the RHP. Upon going through the RHP, the investor would also note that several complaints have also been made by other persons (including the Petitioners in the two Writ Petitions before us) and it would be free for such a person to inspect all these documents which include the complaints and responses thereto given by the company and/or BRLMs, as the case may be. Hence, we are of the opinion that there is no suppression, either gross or deliberate, as erroneously contended by the Petitioners.

48. Insofar as the other point raised viz. that there is no adequate disclosure of the incumbent risk faced by the 'WeWork' Brand if the promoters are convicted in any of the said criminal cases, at the very outset, we note that this risk is expressly set out at Serial No. 10 of the 'Risk Factors'¹⁹ and a detailed description thereof is also provided at Serial No. 10 of the 'Internal Risks'.²⁰ A perusal of the disclosures made under this item reveal that there is a clear reference to the re-stated and amended Operations and Management Agreement ('OMA') dated 30th December 2024 under which, the 'WeWork' brand is licensed by WeWork International to

¹⁹ WeWork India, *Red Herring Prospectus*, pp. 22-23

²⁰ WeWork India, *Red Herring Prospectus*, p. 54

WeWork India and the adverse impact that would be faced by WeWork India if the said OMA is terminated. In our view, there is no need or requirement for the Offer Document to specifically disclose all or any of the grounds under which such license could be terminated by WeWork International, one of which includes disqualification of the promoters as Key Managerial Personnel (KMP) in the event of facing conviction in any criminal proceedings preferred against them.

49. Serial No. 55 of the 'Internal Risks' also contains a description of the risks faced by WeWork India and in particular their Intellectual Property Rights and the substantial harm that this could have on its business.²¹ This item also describes the possible risks that WeWork India would face if the OMA is terminated. The details of the OMA are also set out under the 'Summary of Key Agreements' entered into by WeWork India in the RHP. As a result, we are also not impressed with the second submission made by the Petitioners on the Offer Documents containing insufficient and/or incorrect disclosures insofar as the OMA is concerned. In these circumstances, we are of the considered view that the (contents of the) RHP is in compliance with the ICDR Regulations and the allegations to the contrary, made by both the Petitioners have no merit and are accordingly, not accepted by this Court.

²¹ WeWork India, *Red Herring Prospectus*, p.95

50. With this, we now consider the role of SEBI, as prescribed under the ICDR Regulations. Part V of the said ICDR Regulations deal with the issue of appointment of Lead Manager/s, other Intermediaries and Compliance Officer, whereas Part VI deals with regulations relating to 'Disclosures in and Filing of Offer Documents'. Regulation 24 prescribes that the DRHP and RHP are required to contain all material disclosures that are true and adequate to enable an applicant/investor to take an informed investment decision. The said Regulation further prescribes that the Lead Manager/s to the issue (appointed by the issuer) are required to exercise due diligence and satisfy themselves about all the aspects of the issue including the veracity and adequacy of the disclosures made in the Offer Documents. For the sake of convenience, the said Regulation 24 is reproduced hereunder :

"Disclosures in the draft offer document and offer document

24 - (1) *The draft offer document and offer document shall contain all material disclosures which are true and adequate to enable the applicants to take an informed investment decision.*

(2) *Without prejudice to the generality of sub-regulation (1), the red-herring prospectus, and prospectus shall contain :*

(a) disclosures specified in the Companies Act, 2013 and;
*(b) disclosures specified in **Part A of Schedule VI.***

(3) *The lead manager(s) shall exercise due diligence and satisfy themselves about all aspects of the issue including the veracity and adequacy of disclosure in the draft offer document and the offer document.*

(4) *The lead manager(s) shall call upon the issuer, its promoters and its*

directors or in case of an offer for sale, also the selling shareholders, to fulfil their obligations as disclosed by them in the draft offer document and the offer document and as required in terms of these regulations.

- (5) *The lead manager(s) shall ensure that the information contained in the draft offer document and offer document and the particulars as per restated audited financial statements in the offer document are not more than six months old from the issue opening date.”*

51. Regulation 26 of the ICDR Regulations provides for the draft of the DRHP to be made public for comments and for other ancillary provisions which appear to be aimed at making the public aware of such draft Offer Documents and inviting their comments in respect of the disclosures made therein. Under this Regulation also, the responsibility of ensuring compliance of its provisions lies on the Lead Manager/s of the issue who is/are required to file the details of the comments received either by them or by the issuer, from the public on the draft Offer Documents, together with consequential changes, if any, that are required to be made in the draft Offer Documents and this information is required to be submitted to SEBI. For the sake of convenience and ready reference, the contents of the said Regulation is reproduced hereunder :-

“Draft offer document and offer document to be available to the public

- 26 (1). *The draft offer document filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of [publication of the public announcement under sub-regulation (2)], by hosting it on the websites of [the issuer,] the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue.*

- (2) *The issuer shall, within two [working] days of filing the draft offer document with the Board, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of the draft offer document with the Board and inviting the public to provide their comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the draft offer document.*
- (3) *The lead manager(s) shall, after expiry of the period stipulated in sub-regulation (1), file with the Board, details of the comments received by them or the issuer from the public, on the draft offer document, during that period and the consequential changes, if any, that are required to be made in the draft offer document.*
- (4) *The issuer and the lead manager(s) shall ensure that the offer documents are hosted on the websites as required under these regulations and its contents are the same as the versions as filed with the Registrar of Companies, Board and the stock exchanges, as applicable.*
- (5) *The lead manager(s) and the stock exchanges shall provide copies of the offer document to the public as and when requested and may charge a reasonable sum for providing a copy of the same.”*

52. Under Regulation 52, the responsibility of the Lead Manager/s is prescribed to continue until completion of the issue process and also for any issue related matters thereafter and it is the Lead Manager/s who are required to regularly monitor redressal of investors grievances arising from any issue related activity.

53. Thus, upon careful perusal of the ICDR Regulations and in particular those referred to above, it is clear that the primary obligation to ensure that the Offer Documents contain all material disclosures that are true and adequate so as to enable the public/investor to make an informed

investment decision of whether to subscribe to the proposed issue, rests on the Lead Manager/(s). In the present case, admittedly, WeWork India has appointed Respondent Nos. 3 to 7 as the BRLMs of the IPO and therefore, the primary responsibility in that regard would rest with them. Hence, the BRLMs are required to exercise due diligence and satisfy themselves about all the aspects of the WeWork India IPO, including the veracity and adequacy of the disclosures in the DRHP and RHP. The role of SEBI in this regard would only be supervisory in nature.

54. Given this requirement, when the letter dated 8th July 2025 addressed by SEBI to one of the BRLMs²² is seen, it is evident that SEBI has in fact exercised such discretion and applied its mind to the contents of the Offer Documents and submitted a detailed list of its observations thereon. We have gone through this list (that is annexed to this letter) and we are satisfied with the steps taken by SEBI in that regard. Observation 9.3 of the detailed list enumerated under Annexure I of the said letter clearly reveals that it is pursuant to this observation made by SEBI that the disclosure at Serial No.1 of the 'Internal Risks' of the RHP came to be included which relate to the criminal proceedings initiated against the Promoter/s of WeWork India and the chargesheet filed against them in the said proceedings

²² Respondent No.3 in Writ Petition (L) No. 31373 of 2025

by the ED.²³ Similarly (and illustratively) at Observation 9.11, SEBI has (applied its mind and) directed the BRLMs to disclose the risk mentioned under Serial No. 45 of the 'Internal Risks' under the DRHP as a negative qualifying statement.²⁴

55. In the circumstances, we are satisfied that SEBI has indeed exercised due care and caution and complied with the legal requirements, including those prescribed under the ICDR Regulations, in connection with the WeWork India IPO and the submissions to the contrary made by the Petitioners have no merit.

56. Our finding is also fortified by the decision of the Delhi High Court in **Ashok Kumar Saxena** (supra) which holds that the RHP is required to contain only a summary of the allegations (and not each and every allegation) so as to enable a potential investor to be aware of the material risks which the issuer/company faces.

57. As more particularly held by the Full Bench of the Supreme Court in **Vishal Tiwari** (supra), when technical questions arise, particularly in the financial or economic realm and experts with domain knowledge in the said field have expressed their views and such views are duly considered by the expert regulator in the exercise of its power, courts ought not to

²³ WeWork India, *Draft Red Herring Prospectus*, p. 46

²⁴ WeWork India, *Draft Red Herring Prospectus*, p. 74

substitute their own view by supplanting the role of the expert. The said decision cautions courts not to act as appellate authorities over policies framed by the statutory regulator. It holds that the interference of courts should be made only when it is found that the actions of the statutory regulator are arbitrary or violative of constitutional or statutory mandates. The said decision expressly holds that courts cannot examine the correctness, suitability or appropriateness of the policy, particularly when it is framed by a specialized regulatory agency in corroboration with experts and interference ought not to be made by courts only because, in its opinion, a better alternative is available.

58. The Full Bench has therefore held that courts should not advise expert regulatory agencies on matters of policy which they are entitled to formulate and when technical questions arise, particularly in the domain of economic or financial matters and experts in the field have expressed their views which are duly considered by the statutory regulator, the resultant policies or subordinate legislative framework ought not to be interfered with. The Full Bench has also noted the wide powers available with SEBI, coupled with its expertise and robust information gathering mechanisms, which it held to lend a high level of credibility to its decision as a regulatory, adjudicatory and prosecuting agency. The Full Bench has further held that

keeping all these factors in mind, especially the public interest that guides the functioning of SEBI, courts should be slow from substituting its own wisdom in place of the actions of SEBI.

59. Keeping these principles in mind, this Court is not impressed with the grievances raised by the Petitioners on the Offer Documents containing inadequate or incomplete disclosures. In fact, the record clearly reveals that the BRLMs appear to have exercised due diligence and have ensured that all relevant and necessary information and adequate disclosures are made therein, which position has since also been confirmed by SEBI.

60. A similar view is also taken by the Securities Appellate Tribunal in *Infrastructure Watchdog* (supra) where, after analyzing the provisions of the ICDR Regulations, it is held that the entire process relating to disclosures that are required to be made in the Offer Documents is overseen by the Lead Manager/(s).

61. The decision of SEBI in respect of *Trafiksol* (supra) cited by Mr. Seervai is of no assistance and can easily be distinguished on its peculiar facts. In any event, as already mentioned hereinabove, the Petitioners are not pressing the said relief.

62. Insofar as the issue of delay is concerned, it is well settled that delay or laches is one of the factors that is to be born in mind by the Court especially whilst exercising discretionary powers under Article 226 of the Constitution of India and no relief ought to be given to a Petitioner who approaches the Court without a reasonable explanation for the inordinate delay, which would otherwise disentitle him to the reliefs sought by him. The aforesaid proposition is also reiterated in the two decisions of the Supreme Court in Karnataka Power (supra) and Chennai Metropolitan (supra) cited by Mr. Khambata. In the present case, admittedly, the RHP was published only on 27th September 2025 and filed before SEBI before the very next day, whilst the issue opened for Anchor Investors on 1st October 2025 and subsequently, to RIIs, on 3rd October 2025. Both the Petitioners have approached this Court and filed their respective Writ Petitions on 30th September 2025 and hence it cannot be said that they are guilty of inordinate delay in approaching the Court. However, a perusal of the grievances made by them would reveal that the cause of action to make these grievances to WeWork India, BRLMs and/or SEBI would arise, immediately on the issuance of the DRHP viz. on/about 31st January 2025. Whilst we accept that the DRHP was in fact kept in abeyance during the period from February till July 2025, there is no justifiable reason disclosed in both Writ Petitions as to why, after the DRHP was removed from the abeyance list in

July 2025, Hemant Kulkshetra addressed his first complaint only on 25th September 2025, whilst Vinay Bansal addressed his first complaint only on 25th August 2025. Notwithstanding the same, we have proceeded to decide both Writ Petitions on merits.

63. This takes us to another point raised by the Respondents and that is of the *locus* of the Petitioners in maintaining the present Writ Petition. Hemant Kulkshetra is stated to be “*a keen observer of the securities market who regularly participates in the primary market and invests in initial public offerings of companies across market sectors*”, whilst Vinay Bansal is stated to be “*an active retail investor who regularly participates in the primary market and invests in initial public offerings of companies across market sectors*”. Both Writ Petitions make similar grievances against the WeWork India IPO which are stated to be made in public interest. Moreover, both contend that the failure on the part of the Respondents to act upon the Petitioner’s complaint jeopardizes the rights of all retail investors who rely upon SEBI’s regulatory vigilance to safeguard the investors in the securities market. Curiously, both Petitioners rely on the very same article/news report dated 8th August 2025 titled “*S&W flags non-disclosures by Embassy REIT, IPO-bound WeWork India in complaint to SEBI*” as being the source that prompted them to make the complaint against WeWork India and pursuant to which, they are stated to have discovered the material information that is

incorrectly mentioned in the DRHP and also omitted therefrom. However, when one peruses this article/news report and compares it with the averments made in the two Writ Petitions, it is seen that there are several assertions and allegations found in the body of the Writ Petition which do not find place in the said article/news report. Neither Petitioner has disclosed the exact nature of inquiry undertaken by him and/or the source of such other assertions and allegations. This casts some doubt on the bonafides of the Petitioners.

64. Lastly, let us deal with the point of suppression raised by the Respondents in the case of Vinay Bansal. During rejoinder arguments, when confronted with the letters dated 11th September 2025 addressed by WeWork India²⁵ and 16th September 2025 addressed by the 5 BRLMs²⁶, Mr. Seervai, on instructions, confirms that the said letters were infact received by his client. However, he is at pains to point out that this fact was not disclosed either to him or to the instructing Attorney by Vinay Bansal and therefore, the same is neither disclosed in the Writ Petition filed by him nor argued by him. Immediately on this disclosure being made in court, Mr. Seervai, has profusely apologized to this Court for the same and whilst this Court has no hesitation in believing him and accepting his apology, we cannot do the same for his client. The entire case of Mr. Vinay Bansal in the Writ Petition filed by

²⁵ addressed by WeWork India to Vinay Bansal

²⁶ addressed by the 5 BRLMs to Vinal Bansal

him is that neither WeWork India nor SEBI, acted upon his complaints and as a result of this inaction on their part, he is constrained to approach this Court.

65. In fact, the two decisions in *DLF Limited* (supra) and *Kimsukh Krishna Sinha* (supra) cited by Mr. Seervai in support of the very said proposition and basis which, he has submitted that this Court ought to exercise discretion and interfere in the matter was where no decision or outcome was communicated to the aggrieved party by SEBI. Relying on these two decisions, Mr. Seervai had vehemently advanced similar arguments and sought directions to SEBI to conduct thorough investigation on his client's complaint to inquire into and redress the grievances raised therein. However, from reading these two letters, it is now revealed that not only have all the allegations of Mr. Vinay Bansal been adequately dealt with and responded to by WeWork India but the same have also been redressed by the 5 BRLMs, as they are required to do under the ICDR Regulations.

66. In this background, it was incumbent upon Vinay Bansal to have disclosed these two responses and impleaded the 5 BRLMs in the Writ Petition filed by him, which has not been done, for reasons best known to him. It is well settled that a party who approaches the court with unclean hands or by withholding material documents and/or information is

disentitled to any reliefs from the court and on this ground alone, we decline to entertain the Writ Petition filed by Vinay Bansal and instead dismiss the same with costs of Rs.1 lakh payable to the Maharashtra State Legal Services Authority for this deliberate act of suppression.

67. Even otherwise, basis the discussions and findings that we have arrived at and which are recorded hereinabove, this Court finds no merit in both Writ Petitions and we decline to entertain the same. Accordingly, the following order is passed:

ORDER

- (i) Writ Petition (L) No. 31373 of 2025 filed by Hemant Kulshrestha is hereby dismissed with no order as to costs;
- (ii) Writ Petition (L) No. 31301 of 2025 filed by Vinay Bansal is hereby dismissed with costs of Rs.1 lakh payable by him to the Maharashtra State Legal Services Authority within a period of two weeks from today;
- (iii) Both Writ Petitions are hereby disposed of in terms of the above order.

JYOTI
PRAKASH
PAWAR

Digitally signed
by JYOTI
PRAKASH
PAWAR
Date: 2025.12.01
18:59:40 +0530

(FARHAN P. DUBASH, J.)

(R.I. CHAGLA J.)

Jyoti Pawar/Ajay Jadhav
WP(L) 31373-31301.2025