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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO.7109 OF 2025

Arvind Doshi HUF & Ors. … Petitioners

Versus

Securities & Exchange Board of India & Ors. … Respondents

Mr Siddharth Satija (through VC) a/w Mr. Sahil M. Choksi, Mr. Deepak Sanchety, Sowjhanya Shankaran and Anuka Bachawat for the Petitioners.
Mr Rafique Dada, Senior Advocate a/w Mr. Bhushan Shah, Mr. Akash Jain, Mr. Gaurav Edekar and Ms. Karishma Maheshwari i/by Mansukhlal Hiralal & Co. for Respondent No.1 (SEBI).
Mr Shourya Bari i/by Trilegal for Respondent No.2 (CDSL).
Mr Parikshit Pania i/by Clove Legal for Respondent No.3 (NSDL).

CORAM : M.S. Sonak & Jitendra Jain, JJ.

DATED : 16 July 2025

PC (Per M.S. Sonak. J.) :-

1. The 1st petitioner is Arvind R. Doshi, HUF and the 2nd petitioner is Mrs. Pratibha A. Doshi, i.e. an individual. They were joint signatories to a physical share account.

2. The petitioners have, however, pleaded that owing to a lack of dematerialization guidelines relating to the conversion of an HUF-individual joint account, the petitioners were unable to dematerialize and access their shares.

3. The petitioners have also alleged that, due to their inability to dematerialise their shares in a time-bound manner, they incurred certain losses and are now liable to be compensated by the respondents to the tune of Rs. 75 lakhs (including legal costs). The Petitioners claim that the authorities, by not providing a facility to deal with these kinds of situations, had failed to discharge their functions properly or were deficient in their performance.

4. Based on the above, the petitioners have instituted the present petition seeking the following reliefs: -

> a. Pass a writ, order or direction directing the Respondent No.1 to provide guidelines, rules, legal framework & directions to the Respondent Nos.2 to 3 to dematerialize the shares of the Petitioners in a time bound manner;
>
> b. Pass a writ, order or direction directing the Respondents to compensate the Petitioners to the tune of Rs.75 Lacs (including Legal Costs).

5. After this petition was filed, it appears that SEBI considered this matter and, by a communication dated 14 July 2025, wrote to the Central Depository Services (India) Limited, the 2nd respondent herein. The said communication is scanned as follows:-

CORAM : Shri M.S. Sonak &
Shri Jitendra S. Jain, JJ
Date :- 16/07/2025
Tendered in the court

भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Deputy General Manager
Market Regulation Department

SEBI/HO/MRD-PoD-1/P/OW/2025/18852/1
July 14, 2025

To

Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th floor
NM Joshi Marg
Lower Parel
Mumbai 400013

Sub: In the matter of Arvind Doshi & Ors- Dematerialization of physical shares held jointly by HUF and an individual

1. This has reference to the writ petition in the matter of Arvind Doshi & Ors, wherein CDSL is one of the respondents. In this regard, you have submitted your comments in the captioned matter vide email dated July 10, 2025. We note that you have proposed to open temporary demat account(s) i.e., HUF jointly with Individual/HUF as second holder for the limited purpose of dematerialization of 83,171 physical shares of Sadhana Nitro Chem Limited.

2. In this regard, it is informed that, considering the circumstances of the case and as a one-time measure, your proposal has been taken on record. Further, in order to protect the interest of the investor, you are advised to take necessary steps along with RTA, DP, etc. to implement the proposal. The concerned RTA, DP, etc. shall cooperate with the Depository in this endeavor.

3. You are advised to ensure that pursuant to transfer of the shares to the respective Individual/HUF account(s), the temporary account(s) is closed.

4. Please note that in case any similar request is received by the Depository in future, approval of SEBI is required to be obtained prior to processing the same

5. Further, CDSL, may be advised to deal instant writ petition as per their internal guidelines.

Yours faithfully,

Neetika

Neetika Rajpal

6. The 2nd respondent (CDSL) by an email of 15 July 2025 informed the petitioners, the following: -

> *"On 14 July 2025, SEBI has approved opening a temporary demat account with HUF and individual as joint holder/s for the limited purpose of dematerialization of physical shares held by the Petitioners in Sadhana Nitro Chem Limited. The same is subject to submission of the necessary documents including the concerned share certificates.*
>
> *The temporary demas account/s can be operative for the limited purpose of dematerialization of shares and pursuant to transfer of shares to the respective HUF/Individual demat account, the temporary demat account/s needs to be closed."*

7. Mr. Dada, the Learned Senior Counsel for SEBI (Respondent No. 1), drew our attention to the petitioners' communications dated 22 February 2023, addressed to SEBI. In these communications, the petitioners have requested the deletion of Pratibha Doshi's name from the physical share certificates and have also recorded their no objection to the shares continuing in the name of the HUF.

8. The communications dated 14 July 2025 and 15 July 2025, as well as the emails addressed by CDSL to the petitioners, are taken on record. The Petitioners' communication dated 22 February 2023 is already a part of the record.

9. Mr. Dada pointed out that, in view of sorting out the petitioners' peculiar problem, the SEBI has directed the CDSL to dematerialise the petitioners' shares in a joint account of the HUF and the individual, i.e., the 1st petitioner and the 2nd petitioner, as a one-time measure. He pointed out that this assumes that the name of the 2nd petitioner will be deleted and the 1st petitioner, i.e., the HUF, will then continue to hold these shares in a dematerialised form. He pointed out that this was assured by the Petitioners.

10. Mr. Siddharth Satija, learned counsel for the Petitioners, states that the above arrangement would solve the petitioners' problem, but he pointed out that the larger issue, due to the absence of guidelines to deal with such situations, would remain. Besides, Mr. Satija pointed out that the petitioners had been writing to the SEBI, CDSL, and all other authorities since 2022, and there had been no redressal for all this time. He submitted that the petitioners have suffered in terms of opportunities for selling these shares, rights shares, and incurring legal costs, etc. Mr. Satija submitted that all this has led to the violation of the petitioners' right to property as guaranteed by Article 300A of the Constitution of India. He therefore submitted that the petitioners' prayer for damages/compensation ought to be considered.

11. The petitioners' immediate concern about the transfer of the shares into a dematerialised form is now largely addressed. Therefore, there is no point in admitting this petition on the broader issue of establishing guidelines, etc., to handle similar situations. Ultimately, it is for authorities like SEBI to decide whether there are sufficient similar cases and whether there is a need to establish guidelines to manage such matters. At least in this case, SEBI has considered the petitioners' grievance and, without prejudice to any of their arguments or accepting any liability, resolved the matter as outlined in their communication dated 14 July 2025, addressed to the CDSL.

12. Mr.Bari, learned counsel for the CDSL, on instructions, has also stated that within four weeks of the petitioners reporting the prescribed compliances, the necessary steps would be taken to dematerialise the petitioners' shares in the joint names of the petitioners as a one-time measure to facilitate the deletion of the 2nd petitioner's name.

13. Regarding the prayer for damages, compensation, etc., we are satisfied that any adjudication into such matters would involve highly disputed questions of fact that may not be conveniently addressed in the exercise of our summary jurisdiction under Article 226 of the Constitution of India. Therefore, we leave it to the petitioners to pursue appropriate remedies in this regard, clarifying that we have not entered into such matters. Consequently, all contentions of the parties in this regard are expressly left open.

14. The statements made on behalf of the petitioners, SEBI, and the CDSL are accepted. The CDSL must, as expeditiously as possible, facilitate the dematerialisation of the petitioners' shares, as now permitted by SEBI.

15. The petition is accordingly disposed of without any order for costs.

16. All concerned must act on an authenticated copy of this order.

(Jitendra Jain, J) **(M.S. Sonak, J.)**