

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**R/SPECIAL CIVIL APPLICATION NO. 6067 of 2025**

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MIHIR MUKESHCHANDRA SHAH

Versus

THE COMPLIANCE OFFICE/ COMPANY SECRETARY ICICI BANK
LIMITED & ORS.

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Appearance:

PARTY IN PERSON(5000) for the Petitioner(s) No. 1

MR NIKUNT K RAVAL(5558) for the Respondent(s) No. 3

NOTICE SERVED for the Respondent(s) No. 1

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CORAM:**HONOURABLE MRS. JUSTICE MAUNA M. BHATT****Date : 24/06/2025****ORAL ORDER**

1. This petition is filed challenging the award dated 22.01.2025, passed by learned Arbitrator, under which the claim of the petitioner to direct ICICI Bank Ltd. to take into consideration and apply in the case, the principles stated in the SEBI circular dated 6.11.2018, to transfer 330 shares of ICICI Bank Limited in his favour, has been rejected. It is case of the petitioner that rejection of transfer of 330 shares of ICICI Bank Limited in his favour, is contrary to SEBI Circular No.SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated 06.11.2018. Further, in view of clause 2(c)(iii) read with clause 2(d) of circular dated 06.11.2018, the rejection of claim of petitioner is erroneous and therefore, the award of learned Arbitrator deserves to be quashed and set-aside.

2. Brief facts, as referred in the petition, are as under:

2.1 The petitioner purchased 60 shares (FV Rs.10/-) around 2002-2003 through a proper broking channel at the Bombay Stock Exchange but somehow inadvertently misplaced the said share certificate and the transfer deed in his house. Since they were misplaced, the same were lost during 2006 floods of Surat city, Gujarat.

2.2 The petitioner came to know about these shares upon receipt of new shares of FV Rs.2 of ICICI Ltd. which is consequent to the corporate action of Stock Split undertaken by the company in December 2014. Thereafter, upon issuance of SEBI Circular No.SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated 06.11.2018 issued for prescribing standardized norms of transfer of securities in physical mode, the possibility arose for transfer of these shares and accordingly these 330 shares (250 + 50 = 300) original shares in addition to the 30 bonus shares issued by the company in June 2017, these shares were lodged for transfer in favour of the petitioner on 29-11-2018 in terms of clause 2(d) read with clause 2(c)iii of the Circular.

2.3 It is case of the petitioner that the first/ original lodgement for transfer of shares was made with 31 Infotech Ltd (“RTA”) on 29.11.2018 pursuant to the Circular, along with Indemnity Bond in the SEBI format, Undertaking, 4 original

Share Certificates (2 in numbers for folio number 1032546 and 2 in numbers for folio number 1107923) and accompanied by documentary evidence of KYC in the form of Pan Card, Aadhar Card, Voter Id, Passport and Driving License for each folio.

2.4 Further, the Company/RTA rejected request of the petitioner for transfer of shares on various everchanging reasons from Valid Transfer Deeds not furnished with signatures of Transferor(s) and Transferee, Self attested Pan Card of Transferor not furnished, Broker's note not furnished, Proof of payment/ Bank statement not furnished, address of the transferor and transferee in same, Dividends encashed by the Transferor, the documents are received on 27-04-2021, after the cut off date for re-lodgement, transfers have been discontinued after 31-03-2021, raising objections with the format of Indemnity Bond as issued by SEBI, and asking the petitioner to settle the matter with the Transferor directly.

2.5 It is case of the petitioner that aggrieved by this, grievances were lodged with WRO, of SEBI at Ahmedabad vide registration numbers SEBIP/GJ21/0000211/1 and SEBIP/GJ21/0000293/1. However, the matter was not resolved and a further grievance was filed with BSE Investor Service Centre at Mumbai on 25-6-2024 vide complaint reference number 20240600057. However, since it was not resolved over

grievance it was escalated over the ODR portal on 18-07-2024 with number BSE LC-2024-07-102479. However, it was not resolved over Pre-conciliation level and it was escalated to Conciliation level and further to Arbitration level over SMART ODR portal, a platform initiated, formed regulated and functioning under BSE Limited and SEBI.

2.6 It is case of the petitioner that despite SEBI Circular dated 06.11.2018, Learned conciliator and Arbitrator had not accepted submission of the petitioner and rejected the request to transfer of shares by not applying provisions of SEBI Circular dated 06.11.2018, and passed an award dated 22.01.2025, which is subject matter of this petition.

3. Heard party-in-person - Mr.Mihir Mukeshchandra Shah and learned advocate Mr. Nikunt Raval for respondent No.3. Though served, respondent No.1- ICICI Bank Ltd. chose not to appear.

4. Party-in-person Mr.Mihir Mukeshchandra Shah invited attention of this court to SEBI Circular dated 06.11.2018, 2(c) (iii), and clause 2 (d), which reads as under:

“2(c)iii. In case of non-delivery of the objection memo to the transferor or non-cooperation by / inability of the transferor to provide the required details to the transferee, company / RTA shall register the transfer after following the procedure as under:

1. Following additional documents shall be collected from the transferee:

i. An indemnity bond from the transferee in the format placed at Annexure A;

ii. Copy of address proof - Passport / Aadhar Card / Driving License of the transferee.

iii. An undertaking that the transferee will not transfer/ demat the physical securities until the lock-in, period specified under clause (4) below is completed.

2. RTA may also verify the documents submitted by the transferee with the KYC details, if any, available with the Depositories/ KRAS.

3. Companies / RTAs shall publish an advertisement in at least one English language national daily newspaper having nationwide circulation and in one regional language daily newspaper published in the place of registered office of the listed entity is situated, giving notice of the proposed transfer and seeking objection, if any, to the same within a period of 30 days from the date of advertisement. A copy of the advertisement shall also be published on the company's website.

4. Transfer shall be effected only after the expiry of 30 days from the newspaper advertisement. The securities so transferred shall bear a stamp affixed by the company / RTA stating that these securities shall be under lock-in for a period of 6 months from the date of registration of transfer and should not be transferred / dematerialized during the said period.

5. Names of the transferor, transferee and no. of securities transferred under this procedure shall be disclosed on the company's website for a period of 6 months from the date of transfer. This information shall also be displayed on stock exchange website as a corporate announcement”

“2(d) In case of non-availability of any document required for transfer and the transferor is not cooperating or not traceable, companies/RTA shall register the transfer by following the

procedure as specified in case of major mismatch/ non-availability of transferor's signature, as specified in Para 2(c) above.”

5. Relying upon clause 2(c)(iii) read with clause 2(d) of the Circular Mr. Shah submitted that standardized procedure enumerated under the SEBI Circular dated 06.11.2028, cannot be ignored. Therefore, once indemnity is provided, which has been done in this case, the shares are required to be transferred in favour of the petitioner, after following due procedure as enumerated in the circular, which respondent No.1 had failed. Non acceptance of request made by the petitioner for transfer of shares referred herein above, by following the procedure enumerated in the Circular was not considered by Learned Arbitrator and therefore the award of Learned Arbitrator deserves to be quashed and set-aside.

6. Mr. Shah further submitted that it is not a case where any information is available to the respondent which suggest that the shares are illegally/ illegitimately owned or possessed by the petitioner. No such contention was raised before learned Arbitrator. Further, the order of Learned Sole Arbitrator does not record reasons as to why and how the circular dated 06.11.2018 is not applicable.

7. On the other hand Mr.Nikunt Raval, learned advocate for respondent No.3 – SEBI submitted that the shares are not with

respondent No.3 but they are lying with respondent No.1. In any case, shares are not transferred in favour of the petitioner, the same would go in hands of respondent No.4. Learned advocate however, submitted that fair interpretation of circular dated 06.11.2028, of the SEBI and various clauses relied upon by party-in-person refers to transfer in his favour, if the conditions stated therein are fulfilled.

8. Considering the submissions, it is noticed that the Circular of SEBI Annexure “A-1” dated 06.11.2018 permits the procedure/ documentation to be followed for registration of transfer of security in the cases where the shares are not delivered on account of objection memo to the transferor or non-cooperation/ inability of the transferor to provide required details to the transferee, Registered Transferred Agent (RTA).

9. In the very Circular, clause (d) provides that in case of non-availability of any document required for transfer and the transferor is not cooperating or not traceable, companies/RTA shall register the transfer by following the procedure as specified in case of major mismatch/ non-availability of transferor's signature, as specified in Para 2(c) above. Thus, the transfer in the hands of the petitioner upon fulfillment of condition, in the present case upon filing of indemnity bond before the company, cannot be ignored. In the opinion of this

court, this aspect has not been appropriately considered by Learned Arbitrator in the award dated 22.01.2025. Further, no reasons are assigned for non-acceptance of SEBI Circular dated 06.11.2018.

10. It is also noticed that before learned Arbitrator, no plausible ground has been raised by respondent No.1 to retain the shares and further not to consider the request made on behalf of the petitioner and not to transfer the shares in favour of the petitioner. Accordingly, this court directs as under:

- (i) The award passed by learned Arbitrator dated 22.01.2025 is hereby quashed and set aside.
- (ii) Consequently, respondent No.1 is directed to take into consideration request of the petitioner for transfer of 330 shares of ICICI Bank Ltd. in favour of the petitioner, by following procedure enumerated in the SEBI Circular.
- (iii) If for any reason during pendency of this petition the shares are transferred in favour of respondent No.4, then it is open for the petitioner to apply for the said shares from respondent No.4 – Investor Education & Protection Fund Authority and respondent No.4 is further directed to act in accordance with Law.

(iv) Considering that the SEBI Circular dated 06.11.2018 has wider implication, this order is passed considering the facts and circumstances of this case and shall not be treated as a precedent.

11. With this, the present petition is disposed of.

sd/-

(MAUNA M. BHATT,J)

DIPTI PATEL...

Original copy of this order has been signed by the Hon'ble Judge.
Digitally signed by: DIPTIBEN PIYUSH PATEL(HC00191), PRINCIPAL PRIVATE SECRETARY, at High Court of Gujarat on 25/06/2025 15:51:24