

**IN THE SUPREME COURT OF INDIA**  
**CIVIL APPELLATE JURISDICTION**  
**CIVIL APPEAL NO \_\_\_\_\_ OF 2024**  
**(Arising out of SLP (C) No 20568 of 2024)**

**BSE Ltd**

**... Appellant**

**Versus**

**Pradeep Mehta & Ors**

**... Respondents**

**WITH**

**CIVIL APPEAL NO \_\_\_\_\_ OF 2024**  
**(Arising out of SLP (C) No 20651 of 2024)**

**AND**

**CIVIL APPEAL NOS \_\_\_\_\_ OF 2024**  
**(Arising out of SLP (C) Nos 20734-20735 of 2024)**

**ORDER**

1 Leave granted.

2 On 12 March 2024, a Division Bench of the High Court of Judicature at Bombay reserved orders on the prayers for interim relief in two Writ Petitions :

(I) Pradeep Mehta Vs Union of India & Ors (Writ Petition No. 1590/2021); and

(I) Neil Pradeep Mehta Vs. Union of India & Ors (Writ Petition No 2228/202)

3 The order dated 12 March 2024 reads as follows :

"We have heard arguments on behalf of the parties on interim orders to be passed on the Writ Petition.

2 The learned Counsel for the Petitioner fairly states that there is no relief prayed against Respondent No.5, as on behalf of Respondent No.5 a statement is made before us that the Petitioner has no demat account with Respondent No.5. Accordingly, permission is granted to delete Respondent No.5.

3 Order reserved."

(Emphasis supplied)

4 Both the petitions, however, were allowed finally by the impugned judgment and order of the High Court dated 26 August 2024. The High Court has set aside the freezing orders in respect of the Demat accounts of the original petitioners before it dated 23 March 2017 and 8 August 2018, declaring it to be illegal and void. The High Court has also imposed costs of Rs 50 lakhs in one case and Rs 30 lakhs in the companion case. The order in Writ Petition No 1590 of 2021 is set out below :

"86. In the light of the aforesaid discussion, the petition needs to succeed. It is accordingly allowed in terms of the following order:

ORDER

- (i) The freezing of the demat account of the petitioner pursuant to the impugned communications dated 23 March, 2017 (Exhibit "C"), 13 April, 2017(Exhibit 'D' & 'E'), 8 August 2018 (Exhibit 'L') is declared to be illegal and invalid;
- (ii) The petitioner shall be free to deal with all his shares as held in the Demat accounts in question;
- (iii) The SEBI/BSE/NSE are directed to jointly pay to the petitioner cost of Rs.30 lakhs within a period of two weeks from today.
- (iv) In regard to the petitioner's contention on the amounts of penalty/fine not being deposited in the Consolidated Fund of India, inter alia considering the provisions of Section 15JA of SEBI Act, Section 23K of the SCR Act and Section 19J of the Depositories Act, it is for the appropriate Ministry of Government of India

to look into these issues and in the context of the observations as made by us hereinabove. In the event, the Government of India is of the opinion that such funds which need to be deposited in the Consolidated Fund of India, it is for the Government of India to take appropriate action. "We leave such issue to be considered by the Government of India at the appropriate level;

- (v) Having regard to our discussion and conclusion, we keep open all issues of law on the challenge raised by the petitioner to the legality of the statutory regulations.
- (vi) The petition stands allowed in the aforesaid terms."

5 In the companion Writ Petition (Writ Petition No 2228/2021), the High Court passed the following order :

"103. In the light of the above discussion and on the reasoning as contained in our aforesaid judgment in the case of Dr. Pradeep Mehta (petitioner's father), we are inclined to unhesitantly allow this petition, however, considering the severity and the gross illegality of the actions we will be failing in our duty as a writ Court if we do not impose a substantive costs to be awarded in favour of the petitioner. We accordingly allow the writ petition by the following order:

ORDER

- (i) The freezing of the demat account of the petitioner pursuant to the impugned communications dated 23 March, 2017 (Exhibit "C"), 13 April, 2017(Exhibit 'D' & 'E') ,8 August 2018 (Exhibit 'L') is declared to be illegal and invalid;
- (ii) The petitioner shall be free to deal with all his shares as held in the Demat accounts in question.
- (iii) The SEBI/BSE/NSE are directed to jointly pay to the petitioner cost of Rs.50 lakhs within a period of two weeks from today.
- (iv) The petition stands allowed in the aforesaid terms."

6 Mr N Venkataraman, Additional Solicitor General appears on behalf of the

Security Exchange Board of India. Mr CU Singh, senior counsel appears on behalf of BSE Limited. Mr. Aman Sinha, senior counsel appears on behalf of the National Stock Exchange. Mr Yashwanth Shenoy, senior counsel appears on behalf of the original petitioners before the High Court who are respondents to these proceedings.

- 7 From the narration of the case and the records before this Court, it appears that while the order had been reserved by the High Court only on the prayers for interim relief, the judgment dated 26 August 2024 has been pronounced by the High Court allowing the writ petitions finally. The order which has been delivered on the first writ petition, as extracted above, keeps “open all issues of law on the challenge raised by the petitioner to the legality of the statutory regulations”. The reliefs which were sought in the writ petitions covered comprehensive challenges to the regulations framed by SEBI among other prayers.
- 8 In this backdrop, there is an error on the part of the High Court in disposing of the writ petitions finally while admittedly, as the record indicates, orders were reserved only on the prayers for interim relief.
- 9 We accordingly allow the appeals and set aside the impugned judgment and order of the High Court dated 26 August 2024. Writ Petition Nos. 1590 and 2228 of 2021 shall stand restored to the file of the High Court of Judicature at Bombay for fresh disposal.
- 10 It will be open to the parties to move the High Court afresh for the grant of interim relief should they be advised to do so. The High Court may either take up the application for interim relief or, if it is so convenient, dispose of the

petitions finally after hearing final arguments on behalf of the parties.

11 Pending applications, if any, stand disposed of.

**SLP (C) Nos 20732-20733 of 2024**

12 The above petitions which have been instituted by the National Stock Exchange of India arise from a common judgment and order of the High Court of Judicature at Bombay dated 26 August 2024.

13 This Court is apprised of the fact that the petitions were listed before a coordinate Bench today and they have been directed to be tagged with the Special Leave Petitions filed by the SEBI and BSE Limited.

14 The Special Leave Petitions are taken on Board and shall stand disposed of in terms of above order.

15 Pending applications, if any, stand disposed of.

.....CJI.  
**[Dr Dhananjaya Y Chandrachud]**

.....J.  
**[J B Pardiwala]**

.....J.  
**[Manoj Misra]**

**New Delhi;**  
**September 10, 2024**  
GKA

ITEM NO.44

COURT NO.1

SECTION IX

**S U P R E M E C O U R T O F I N D I A**  
**RECORD OF PROCEEDINGS**

Petition(s) for Special Leave to Appeal (C) No(s). 20568/2024

(Arising out of impugned final judgment and order dated 26-08-2024 in WP No. 1590/2021 passed by the High Court of Judicature at Bombay)

BSE LTD.

Petitioner(s)

VERSUS

PRADEEP MEHTA &amp; ORS.

Respondent(s)

(FOR ADMISSION and I.R. and IA No.201729/2024-EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT )

WITH

SLP(C) No. 20651/2024 (IX)  
( IA No.202284/2024-EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT)

SLP(C) No. 20734-20735/2024 (IX)  
(IA No.203205/2024-EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT)  
The Special Leave Petitions are taken on Board and shall stand disposed of in terms of the order passed in G C/C OF

Date : 09-09-2024 This petition was called on for hearing today.

**CORAM :** HON'BLE THE CHIEF JUSTICE  
HON'BLE MR. JUSTICE J.B. PARDIWALA  
HON'BLE MR. JUSTICE MANOJ MISRA

For Petitioner(s) Mr. N Venkataraman, A.S.G.  
Mr. Suraj Choudhary, Adv.  
Mr. Abhishek Baid, Adv.  
Mr. Praneet Das, Adv.  
Mr. Mohit Kumar Bafna, Adv.  
Mr. Anup Jain, Adv.  
Mr. Ashok Kumar Jain, Adv.  
M/S. Expletus Legal, AOR

Mr. Chander Udy Singh, Sr. Adv.  
Ms. Surekha Raman, Adv.  
Mr. Amarjit Singh Bedi, Adv.  
Mr. Shreyash Kumar, Adv.

Mr. Yashwant Sanjenbam, Adv.  
Mr. Praveen Kumar, Adv.  
Mr. Praveen Kumar, Adv.

M/S. K J John And Co, AOR

For Respondent(s) Mr. Suraj Choudhary, Adv.  
Mr. Abhishek Baid, Adv.  
Mr. Praneet Das, Adv.  
Mr. Mohit Kumar Bafna, Adv.  
Mr. Anup Jain, Adv.  
Mr. Ashok Kumar Jain, Adv.  
M/S. Expletus Legal, AOR

Mr. Yeshwanth Shenoy, Adv.  
Mr. Prashant Padmanabhan, AOR

UPON hearing the counsel the Court made the following  
O R D E R

- 1 Leave granted
- 2 The appeals are allowed in terms of the signed order.
- 3 Pending applications, if any, stand disposed of.

**SLP (C) Nos 20732-20733 of 2023**

- 4 The Special Leave Petitions are taken on Board and shall stand disposed of in terms of the order passed in Civil Appeal arising out of SLP (C) No 20568 of 2024 and connected matters.
- 5 Pending applications, if any, stand disposed of.

(GULSHAN KUMAR ARORA)  
AR-CUM-PS

(SAROJ KUMARI GAUR)  
ASSISTANT REGISTRAR

(Signed order is placed on the file)