

**IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI**

DATED THIS THE 09TH DAY OF JANUARY, 2026

**CORAM: Justice P.S. Dinesh Kumar, Presiding Officer
Ms. Meera Swarup, Technical Member
Dr. Dheeraj Bhatnagar, Technical Member**

Appeal No.537 of 2025

**[Along with Misc. Application No.1335
and 1341 of 2025]**

Mauria Udyog Limited
Sohna Rd.,
Opp. BPCL Oil Filling Station,
Haryana-121015.

.....Appellant

(By Mr. Kunal Katariya, Advocate with Mr. Khushil Shah,
Advocate i/b. Mr. Khushil Shah for the Appellant.)

1. Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.

2. ICICI Bank Ltd.
ICICI Towers,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051.

...Respondents

(By Mr. Sumit Rai, Advocate with Mr. Mihir Mody, Mr. Karthik
K.P., Mr. Aavish Shetty and Mr. Vijay Chockalingam, Advocates
i/b. M/s. K. Ashar & Co. for the Respondent No.1)

(By Mr. Abhishek Venkatraman, Advocate with Mr. Abhishek Gupta and Mr. Ritisha Choudhary, Advocates i/b. MZM Legal for the Respondent No.2.)

THIS APPEAL IS FILED UNDER SECTION 15T OF SEBI ACT, 1992 TO SET ASIDE THE ORDER DATED SEPTEMBER 11, 2024 (Ex-A) PASSED BY WTM, SEBI.

THIS APPEAL HAVING BEEN HEARD AND RESERVED FOR ORDERS ON, DECEMBER 12, 2025, COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

Per: Justice P.S. Dinesh Kumar, Presiding Officer

In this appeal, Mauria Udyog Limited ('Company/Mauria' for short) is challenging the directions contained in learned WTM's¹ order dated September 11, 2025 and made a prayer for a direction against SEBI² to in turn direct ICICI bank to renew the overdraft facilities.

2. We have heard Mr Kunal Katariya, learned Advocate for the appellant and Mr Sumit Rai, learned Advocate for the SEBI.

3. Brief facts of the case are, SEBI's investigation in respect of five scrips³ revealed that there was an abnormal rise in their price and volume. SEBI identified certain entities involved in various fraudulent trade practices and issued an *ex parte* interim

¹ Whole Time Member

² Securities and Exchange Board of India

³ Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd.

order cum show cause notice impounding certain amounts and in the case of Mauria, a sum of ₹26.19 Crores, being the wrongful gains generated in the scrip, has directed the appellant Company to deposit the said amount in an escrow account with a lien marked in SEBI's favour. Feeling aggrieved, appellant Company and its Directors filed an appeal in this Tribunal and it was disposed of with a direction to file their objections to the show cause notice. After filing the objections, *vide* order dated October 12, 2023, the learned WTM modified his earlier order. According to the appellant, pursuant to the modified order, ICICI Bank had de-frozen appellant's overdraft bank accounts.

4. Subsequently, the appellant filed another appeal⁴ with regard to freezing of appellant's EEFC account with a prayer to release all bank accounts and demat accounts. That appeal was disposed of based on a submission made by the learned Advocate for the SEBI that if an application were to be filed before WTM, SEBI, the same would be considered on merits. Appellant filed an application resulting in the impugned order.

5. According to the appellant, despite learned WTM's clear direction in the order dated October 12, 2023, to defreeze the overdraft account, ICICI bank has frozen the overdraft account. On enquiry, appellant learnt that freezing was pursuant to SEBI's communication. Appellant *vide* email dated November 11, 2025, requested SEBI to direct ICICI bank to follow the directions contained in October 12, 2023 order. But SEBI has failed to respond. Hence, this appeal.

⁴ Appeal No.396 of 2025

6. Mr Kunal Kataria submitted that the learned WTM has issued certain legally unsustainable directions in his order dated September 11, 2025. Adverting to para 15 of the order, he argued that both SEBI and ICICI have failed to appreciate that the overdraft facility was meant to augment appellant's working capital and to run its business smoothly.

7. Though Mr. Kataria urged several contentions, the substance of his argument is, the *ex parte* interim order⁵ was modified by the learned WTM on October 12, 2023. Based on the modification, ICICI had permitted the overdraft facility. When the time came to renew the overdraft facility, ICICI has refused to renew on the premise that the first lien on appellant's fixed deposit of ₹14 Crores is with ICICI and there was no security to renew the overdraft facility.

8. Mr. Sumit Rai argued opposing the appeal.

9. We have considered the rival contentions and perused the records.

10. Undisputed facts are, appellant company has placed a fixed deposit of ₹14 Crores with ICICI bank. Based on that security, ICICI sanctioned overdraft facility. By the *ex parte* interim order⁶ all accounts were frozen. October 12, 2023, the learned WTM modified it by passing following order:

"10. In view of the above, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B read with Section 19 of the SEBI

⁵ Dated 19.06.2023

⁶ Dated 19.06.2023

Act, 1992 hereby modify the directions issued vide the Interim Order dated June 19, 2023, to the following extent:

- a. The overdraft bank accounts bearing numbers 630305004429 and 630305006222 of Mauria Udyog Limited (PAN-AABCM9522F) held with ICICI Bank shall be defrozen by the ICICI Bank forthwith. The Applicant and the ICICI Bank shall ensure that the portion of the overdraft facility in the aforesaid two overdraft accounts, which remains unutilized as on date of this Order, is not available for utilization to the Applicant, till further orders.*
- b. All other directions of the Interim Order shall continue to apply as before."*

11. Thereafter, the overdraft facility continued. Subsequently, when the renewal of overdraft facility was to be considered, ICICI refused to renew it. The main argument canvassed by the appellant is, since ICICI permitted operation in OD account after SEBI modified its order on October 12, 2023, it presupposes that SEBI had released its lien on that account. On this premise, appellant has prayed for a direction against SEBI to issue further directions to the ICICI Bank to forthwith renew the overdraft facility in terms of WTM's order dated October 12, 2023 or in the alternative, to direct SEBI to allow appellant to create fixed deposit of the said amount and obtain overdraft facility from any other bank. The point that arises for consideration is ***whether SEBI can be directed to instruct/direct ICICI to renew the overdraft facility?***

12. Admitted position is, appellant has placed a fixed deposit of ₹14 Crores with ICICI, based on which ICICI has sanctioned overdraft facility. While modifying the *ex parte* interim order on October 12, 2023, learned WTM has noticed thus:

"8. I note that the Applicant has not yet deposited the alleged wrongful gains of Rs.26,19,68,781 in an escrow account, as directed in the Interim Order. However, while deciding on the relief sought by the Applicant, I have considered the following:

- (a) The debit freeze marked on the bank accounts including the Fixed Deposits of the Noticee (excluding the aforesaid overdraft accounts) have balance of more than Rs.14 Crore. While the Noticee is liable to deposit alleged illegal gain of Rs.26,19,68,781 in an escrow account, the said liability is joint and several with other ten Noticees.*
- (b) The Applicant is a listed entity having around 8,888 public shareholders (as per the information available on BSE Website). As the overdraft accounts of the Applicant are apparently meant for augmenting the working capital for the purpose of Applicant's core manufacturing business, freezing of the said accounts is likely to affect the business of the Applicant and consequently, cause loss to its shareholders.*
- (c) The two overdraft accounts (630305004429 and 630305006222) of the Applicant held with ICICI Bank are already utilised up to Rs.10,49,47,624 out of the total overdraft limit of Rs.10,51,35,426, which indicates that only Rs.1,87,801 is available for fresh utilization of the Applicant."*

Having noted as above, the learned WTM has ordered that the overdraft accounts shall be de-frozen. Appellant's interpretation of this order appears to be that SEBI gave up its lien over the fixed deposit. Mr. Rai for SEBI contended that modification was only to permit operation in the overdraft account while continuing SEBI's lien. He submitted that ICICI had rightly understood the effect of the modified order. In its affidavit it has stated that its claim over the fixed deposit had become subordinate to SEBI's lien. We have perused the affidavit and the relevant portion reads as follows:

"7.....Thus, the Bank's first charge over the FDs, which was the foundational security for extending the OD facilities, was subordinated to SEBI's lien pursuant to order dated 19.06.2023."

13. Mr. Abhishek Venkataraman for ICICI Bank submitted that the bank had understood SEBI's orders in the manner stated in the affidavit.

14. Mr. Kunal Kataria placed reliance on para 10 in *Dr. Udayanth Malhotra v. SEBI*⁷ and contended that this Tribunal has held that the principles of Order 38, Rule 13 of C.P.C.,1908 were applicable in that case and the situation here is also similar. He submitted that the appellant is running a concern and there is no allegation of any misappropriation after ICICI permitted operation in the overdraft account, pursuant to modification of SEBI's *ex parte* interim order. ICICI is appellant's banker.

⁷ Appeal No.145 of 2020 passed by the Securities Appellate Tribunal, Mumbai on 27.06.2020.

15. To lend money is its banker's prerogative. To decide whether the security offered is sufficient to cover bank's exposure is entirely within the domain of the banker. ICICI Bank has stated on oath that its lien over the fixed deposit was subordinate to SEBI's lien. It has further stated that it had permitted operations only 'based on past relation' it had with the appellant. Whatever may be the understanding of anyone, the deciding factor is how the lender understands the security. Of course, the banker may even choose to lend without any security. That again falls entirely within the Banker's domain. This appeal hinges upon ICICI's understanding with regard to security based on its interpretation of WTM's order dated October 12, 2023. Admittedly, ICICI Bank has stated on oath that it concedes to the position that its security is subordinate to SEBI's lien. Any other interpretation by any person or authority in the facts of this case, is of no consequence.

16. The appellant has made an alternative prayer to permit the appellant to create fixed deposit to obtain an overdraft facility from any other bank. Simply put, appellant wants us to declare that SEBI has no lien on the fixed deposit. It is not in dispute that appellant has not complied with SEBI's *ex parte* interim order to deposit ₹26.19 Crores in an escrow account. In our view, so long as the *ex parte* interim order to deposit ₹26.19 Crores in the escrow account remains in force, the alternative prayer merits no consideration. In our view, this is not permissible for the simple reason that appellant has admittedly challenged the *ex parte* order dated June 19, 2023 in this Tribunal and accepted this Tribunal's order to file objections

before SEBI. Therefore, the merits of the *ex parte* interim order having been adjudicated and accepted by the appellant, it cannot be reconsidered in a collateral proceeding. Therefore, in our view, no direction can be issued to the SEBI in this proceeding. Accordingly, the point for consideration is answered in the ***negative***.

17. In the result, this appeal fails and it is ***dismissed***. Pending interlocutory application(s), if any, stand disposed of. No costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

09.01.2026
RHN