BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date : 11.02.2025

Appeal No. 062 of 2025
[Along with Misc. Application No. 122 of 2025 And Misc. Application No. 121 of 2025]

Axis Bank Ltd. …Appellant

Versus

Securities and Exchange Board of India & Anr. …Respondents

i/b M/s. Dhruve Liladhar & Co. for the Appellant.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Manish Chhangani, Mr. Sumit Yadav, Mr. Atul Agrawal and Mr. Abhay Chauhan, Advocates i/b The Law Point for the Respondent – SEBI.

ORDER:

For the reasons stated therein, the application is allowed. The delay of 86 days in filing the appeal is condoned.

2. Admit.

3. The exemption application is allowed and stands disposed of.

4. Respondent is granted four weeks time to file a reply and two weeks thereafter to the appellant to file rejoinder.

5. Insofar as the interim prayer is concerned, Shri Shiraz Rustomjee, learned Senior Advocate for the SEBI submitted that the Karvy Stock Broking Ltd., had pledged shares of its various clients with Axis Bank. The earlier round of litigation, the matter has reached Hon'ble Supreme Court, wherein, it has been directed that parties shall maintain *status quo*.

6. He further submitted that in the account of Karvy Stock Broking Ltd., with Axis Bank, some deposit is available. As per the impugned orders passed by the Recovery Officer dated September 12, 2024 and October 14, 2024, SEBI seeks to recover the money which lying with the bank.

7. Learned Advocate for the appellant submitted that the main issue for consideration is, who between the Axis Bank and the SEBI has lien over the money lying in the Karvy's account with the Bank.

8. In our view, in the facts and circumstances, it is just and proper to direct the parties to maintain *status quo* with regard to following accounts mentioned in paragraph 10 of the memorandum of appeal:

A/c Number	Credit Balance in INR	A/c Name
004010203343544	-	Karvy Stock Broking Limited GL Expenses A/c
911020001642967	11,470.23	Karvy Stock Broking Ltd-Currency Derivatives Settlement A/C
913020035246955	29,772.31	Karvy Stock Broking Ltd BSE F&O Settlement Account
919020035733040	-	Karvy Stock Broking Limited – MCX Settlement Ac
917040030735889	0.00	Karvy Stock Broking Ltd.
008010200043643	25,01,915.65	Karvy Stock Broking Ltd-E-Broking Clients A/c
008010200043661	-	Karvy Stock Broking Ltd-CM-Clients A/c
00801020081537	-	Karvy Stock Broking Limited-Clients A/c.
909020044937384	15,024.56	Karvy Stock Broking Limited-NSE MFSS Clients A/c
909020044937892	-	Karvy Stock Broking Limited-BSE Star MF Clients A/c
913020016446198	12,013.36	Karvy Stock Broking Limited-BSE F&O Clients A/C.
913020034957878	1,00,000.00	Karvy Stock Broking Ltd. Use Currency Derivatives Segment Client A/c.
919020033388332	-	Karvy Stock Broking Limited-MCX Client A/c
919020042426977	-	Karvy Stock Broking Ltd-NSE Currency Derivatives Settlement A/c

910020007160224	-	Karvy Stock Broking Ltd A/c PMS-Alpha Portfolio
910020007161735	-	Karvy Stock Broking-A/c PMS-SP
910020037852647	-	Karvy Stock Broking Ltd. A/c Discretionary PMS-Delta Portfolio
910020037853365	1.00	Karvy Stock Broking Ltd A/C-Discretionary PMS-Omega Portfolio
910020037854106	-	Karvy Stock Broking L A/c Nondiscretionary PMS Optima Portfolio
910020037854203	-	Karvy Stock Broking Ltd A/c Nondiscretionary PMS-Alpha Portfolio
910020037855536	-	Karvy Stock Broking Limited A/c Discretionary PMS-Theta Portfolio
911020045211372	-	Karvy Stock Broking Limited A/c Discretionary PMS-Psi Portfolio
911020045288068	-	Karvy Stock Broking Ltd A/c-Discretionary PMS-Alpha Plus Portfolio
911020045432618	-	Karvy Stock Broking Limited A/c Discretionary PMS-Gamma Portfolio
917020074836616	12,859.50	Karvy Stock Broking Limited
Sub-total (A)	**25,83,056.61**	
916020053264192	7,49,933.12	Karvy Stock Broking Limited-Collection A/c NPS Trust
916040013711247	-	BSE LTD A/C Karvy Stock Broking Limited
919040033218538	-	MCXCCL A/C – Karvy Stock Broking Limited

919040033218651	-	MCX A/C-Karvy Stock Broking Limited
Sub-total (B)	**7,49933.12**	
Total (A+B)	**33,32,989.73**	

9. Learned Advocate for the appellant submitted that appellant has not appropriated the said amounts. His submission is placed on record. Appellant shall not appropriate the amount in above accounts and maintain *status quo*.

10. Learned Advocate for the appellant submitted that inadvertently some wrong papers have been filed as Annexure – H to the memorandum of appeal. He seeks permission to substitute the same. Permission granted.

11. By consent, call on 08.05.2025.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

11.02.2025
msb