

National Stock Exchange of India Limited

Circular

Department: Investigation	
Download Ref No: NSE/INVG/70545	Date: September 30, 2025
Circular Ref. No: 513/2025	

To All NSE Members,

Sub: SEBI Order in the matter of Milani Techno Engineering Limited

This has reference to SEBI order QJA/MN/NRO/NRO-DIV-III/31696/2025-26 dated September 30, 2025 wherein SEBI has issued following directions:

1. Directed Four entities (mentioned at Sr. nos.1 to 4 in table below) to not to, directly or indirectly, access the securities market, by issuing prospectus, offer document or advertisement soliciting money from the public and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of this Order, till the expiry of 4 (four) years from the date of completion of refunds to investors as directed above.
2. Restrained 14 entities (mentioned at Sr. nos. 5 to 18 in table below) from accessing the securities market and are further restrained from buying, selling or dealing in securities, in any manner whatsoever, for a period of 1 (one) year from the date of this order.

Sr. No.	Name	PAN / CIN	Debarment Period
1	Milani Techno Engineering Limited	U51109UP1984PLC006714	4 (four) years from the date of completion of refunds to investors
2	Prithi Paul Singh Seth	AOAPS8866A	
3	Rajesh Kumar Sharma	BFXPS2910E	
4	Shiva Nand Mishra	AJHPM9388B	
5	Vishwa Bandhu Vashishta	ADFPV9924N	
6	Deena Nath Maurya	BJJPM1012K	

National Stock Exchange of India Limited

7	Arwind Tiwari	ADXPT8691C	1 Year
8	Pashupati Nath Dixit	AJPPD9322G	
9	Ramendra Prasad Sharma	AOBPS4499A	
10	Mukesh Kumar Khare	BBVPK0966N	
11	Maiku Lal	ACBPL8003B	
12	Ram Vishal Telars	AHVPT3683L	
13	Surendra Singh	BVGPS1857P	
14	Ram Kishor Prajapati	AVOPP0495M	
15	Rajesh Singh Yadav	ALVPY5087F	
16	Sita Ram Prajapati	ASPPP5581Q	
17	Bharat Subhash Prasad Maurya	DOHPM9275P	
18	Chhotelal Shukla	CLJPS2300B	

The detailed order is available on SEBI website - <http://www.sebi.gov.in>

Further, the consolidated list of such entities is available on the Exchange website

<http://www.nseindia.com> home page at the below mentioned link:

<https://www.nseindia.com/regulations/member-sebi-debarred-entities>

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

**For and on behalf of
National Stock Exchange of India Limited**

**Sandesh Sawant
Senior Manager**

Annexure: SEBI Order in the matter of Milani Techno Engineering Limited

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTIONS 11(1), 11(4), 11A AND 11B(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 IN THE MATTER OF MILANI TECHNO ENGINEERING LIMITED

In respect of:

Noticee No.	Name of the Noticee	PAN	CIN/DIN
1.	Milani Techno Engineering Limited	-	U51109UP1984PLC006714
2.	Prithi Paul Singh Sethi	AOAPS8866A	00076689
3.	Rajesh Kumar Sharma	BFXPS2910E	01731816
4.	Sanjay Kumar Upadhyay	AAXPU2236P	02455875
5.	Shiva Nand Mishra	AJHPM9388B	02706697
6.	Vishwa Bandhu Vashishta	ADFPV9924N	02707338
7.	Deena Nath Maurya	BJJPM1012K	02824654
8.	Arwind Tiwari	ADXPT8691C	01629407
9.	Pashupati Nath Dixit	AJPPD9322G	01664553
10.	Ramendra Prasad Sharma	AOBPS4499A	02518373
11.	Mukesh Kumar Khare	BBVPK0966N	06400147
12.	Maiku Lal	ACBPL8003B	07072169
13.	Ram Vishal Telars	AHVPT3683L	07072186
14.	Surendra Singh	BVGPS1857P	07524382
15.	Ram Kishor Prajapati	AVOPP0495M	07524405
16.	Rajesh Singh Yadav	ALVPY5087F	07524409
17.	Sita Ram Prajapati	ASPPP5581Q	07526339
18.	Bharat Subhash Prasad Maurya	DOHPM9275P	08101500
19.	Chhotelal Shukla	CLJPS2300B	02706032

BACKGROUND AND FACTS OF THE CASE

1. Milani Techno Engineering Limited (**'MTEL'** or **'the Company'** or **'Noticee No.1'**) is an unlisted public company, with CIN U51109UP1984PLC006714, which was incorporated on September 05, 1964 as Sheetala Agro Industries Private Limited and thereafter the name was changed to MTEL on September 13, 2011. As per Ministry of Corporate Affairs' (**'MCA'**) website, the registered office of the Company is at 01, Plot No. 90, Mayur Colony Jhalwa, Post Jhalwa, Prayagraj, Allahabad, Uttar Pradesh - 211012.
2. Securities and Exchange Board of India (**'SEBI'**) received complaints against MTEL in respect of issue of Redeemable Cumulative Preference Shares (**'RCPS'**).
3. In the meantime, pursuant to notification of Companies Act, 2013 and increase in cap for number of allottees in private placement, SEBI vide Circular No. CIR/CFD/DIL3/18/2015 dated December 31, 2015 (**'SEBI Circular'**) provided that companies which had offered securities to more than 49 persons prior to April 01, 2014 can avoid penal action by providing investors with an option to surrender securities and get refund amount at a price not less than subscription money paid along with 15% interest thereon or such higher return as promised to investors.
4. SEBI examined the complaints to ascertain whether MTEL had made any public issue of securities without complying with the relevant provisions of the Companies Act, 1956.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. MTEL was engaged in fund mobilization activity from public and raised ₹ 4,12,20,000/- through its offer and issue of RCPS during FY 2011-12 in violation of respective provisions of the Companies Act, 1956 read with the corresponding provisions of the Companies Act, 2013 and the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**). It was further alleged that Noticee No. 2 to 7 were directors of the Company during FY 2011-12 (i.e.

period of issuance) and Noticee No. 8 to 19, who became directors of MTEL after FY 2011-12, failed to refund money collected from the alleged issuance of RCPS.

6. Accordingly, a common Show Cause Notice ('SCN') dated June 06, 2024 was issued to MTEL and its directors namely Shri Prithi Paul Singh Sethi (also known as '**Dr. P.P.S.Sethi**'), Shri Rajesh Kumar Sharma, Shri Sanjay Kumar Upadhyay, Shri Shiva Nand Mishra, Shri Vishwa Bandhu Vashishta, Shri Deena Nath Maurya, Shri Arwind Tiwari, Shri Pashupati Nath Dixit, Shri Ramendra Prasad Sharma, Shri Mukesh Kumar Khare, Shri Maiku Lal, Shri Ram Vishal Telars, Shri Surendra Singh, Shri Ram Kishor Prajapati, Shri Rajesh Singh Yadav, Shri Sita Ram Prajapati, Shri Bharat Subhash Prasad Maurya and Shri Chhotelal Shukla (collectively referred as '**Noticees**') calling upon them to show cause as to why suitable directions under Sections 11(1), 11(4), 11A and 11B of the SEBI Act including direction to refund monies collected from the investors through the offer of RCPS and direction for restraint and prohibition from accessing the securities market should not be issued against them for the alleged violations. The following are the crux of the allegations in the said SCN:

6.1. MTEL issued 14,143 number of RCPS to 127 investors in FY 2011-12 and raised ₹ 4,12,20,000/- without ensuring compliance with the public issue norms and violated Section 56(1), 56(3), 60 read with Section 2(36), 64(1), 67(3), 73 of the Companies Act, 1956 read with the corresponding provisions of the Companies Act, 2013 viz., Sections 26, 33(1), 2(70), 25(1), 23(1), 40(1)(2)(3) read with Section 465 of the Companies Act, 2013.

6.2. Further, Noticee No. 2 to 7 were directors of MTEL during the period of issuance and have violated provisions of Section 56(1), 56(3), Section 60 read with Section 2(36), Section 64(1), Section 67(3) and Section 73 of the Companies Act, 1956 read with the corresponding provisions of the Companies Act, 2013 viz. Sections 26, 33(1), 2(70), 23(1), 25(1), 40(1)(2)(3) read with Section 465 of the Companies Act, 2013.

- 6.3. Noticee No. 8 to 19, who became directors in the Company post the period of issuance (i.e. FY 2011-12), failed to refund money raised through issuance of RCPS to the investors and thereby contravened provisions of Section 73 of the Companies Act, 1956 read with Section 40(1), 40(2), 40(3) read with 465 of the Companies Act, 2013.
7. Vide the said SCN, the Noticees were given an opportunity to file their replies, within 21 days from the date of receipt of the said SCN. It was informed to the Noticees that in case of failure to reply, it would be presumed that they have no reply to submit and the matter would be proceeded on the basis of material available on record. The SCN further stated that the concerned persons may also indicate whether they desire to avail themselves an opportunity of personal hearing before SEBI.
8. The SCN was sent to the Noticees through Speed Post with acknowledgement ('SPAD').
- 8.1. The SCN was delivered to Shri Rajesh Kumar Sharma (Noticee No. 3), Shri Shiva Nand Mishra (Noticee No. 5), Shri Vishwa Bandhu Vashishta (Noticee No. 6), Shri Pashupati Nath Dixit (Noticee No. 9), Shri Mukesh Kumar Khare (Noticee No. 11), Shri Ram Vishal Telars (Noticee No. 13), Shri Ram Kishor Prajapati (Noticee No. 15), Shri Rajesh Singh Yadav (Noticee No. 16), and Shri Chhotelal Shukla (Noticee No. 19) through SPAD. The SCN was received by Shri Surendra Singh (Noticee No.14) when affixture was being attempted.
- 8.2. The SCN was affixed at the last known address of Shri Prithi Paul Singh (Noticee No.2), Shri Sita Ram Prajapati (Noticee No.17) and MTEL (Noticee No. 1 at its Kolkata address).
- 8.3. Thereafter, the SCN was published through newspaper for Noticee No. 1,2,4,7,8,10,12 on August 23, 2024 in '*Hindustan (Bareilly, Kanpur and Prayagraj edition)*', '*Hindustan Times*', '*Amar Ujala (Bareilly, Varanasi, and Prayagraj)*', '*The Times of India- Lucknow*', '*Navbharat Times*' and for Noticee No. 1 in '*Sangbad Pratidin*', '*Times of India, Kolkata*' and Noticee No. 18 in '*Navbharat Times*', '*Lokmat*' and '*Indian Express*' on August 23, 2024.

8.4. Noticee Nos. 11,13,14,15,16 and 17 have filed their replies to the SCN.

9. Subsequently, hearing notice dated September 23, 2024 was issued to all the noticees for availing an opportunity of personal hearing on October 22, 2024. The same was delivered only to 9 noticees (viz. Noticee No. 3,5, 6,7, 9,13,15,16 and 17) through SPAD/email. The hearing opportunity was availed by Noticee No. 13,14, 15,16, and 17 in person and Noticee No. 6, 7, 9,11,19 through zoom on October 22, 2024. Minutes of the aforesaid hearings are available on record.
10. For the remaining noticees, hearing notice was published on November 09, 2024 in '*Times of India*', '*Sanmarg*', '*Bartman*', '*Amar Ujala*' (for Noticee No. 1), '*Times of India*', '*Amar Ujala*' (for Noticee No. 2,3,8,10,12), '*Times of India*', '*Sanmarg*', '*Bartman*' (for Noticee No. 4), '*Times of India*', '*Prahar*', '*Navbharat*' (for Noticee No. 18) for availing an opportunity of hearing on November 25, 2024. Noticee No. 5 appeared through webex on November 25, 2024 and Noticee No. 8 appeared in person on December 17, 2024. Minutes of the aforesaid hearings are available on record.
11. Thereafter, the undersigned was assigned as the Quasi-Judicial Authority. In view of principles of natural justice, opportunity of hearing was granted to all noticees. Hearing notice dated June 03, 2025 was sent to all the noticees through SPAD for availing an opportunity of personal hearing on June 12, 2025. The personal hearing was attended by Shri Pashupati Nath Dixit (Noticee No. 9) and Shri Chhotelal Shukla (Noticee No. 19) through zoom on June 12, 2025.
12. Hearing Notice was again issued through SPAD, except for Shri Pashupati Nath Dixit and Shri Chhotelal Shukla, scheduling a hearing on July 29, 2025. The same was delivered to Shri Vishwa Bandhu Vashistha (Noticee No. 6), Shri Mukesh Kumar Khare (Noticee No. 11), Shri Ram Vishal Telars (Noticee No. 13), Shri Ram Kishor Prajapati (Noticee No. 15), Shri Rajesh Singh Yadav (Noticee No. 16). Delivery of hearing notice was also attempted via email to Noticee Nos. 3,5,6,7,8 and 11. For those noticees for whom the hearing notice could not be delivered through SPAD or affixture, the hearing notice was published through

newspaper on July 24, 2025 in ‘*The Hindustan Times, Mumbai*’, ‘*Navbharat Times, Mumbai*’, ‘*Prahar, Mumbai*’, ‘*The Times of India, Kolkata*’, ‘*Sanmarg, Kolkata*’, ‘*EKDIN, Kolkata*’ for Noticee No. 1,2,3,4,6,10,11,12,13,14,15,16,17,18.

13. Shri Shiva Nand Mishra (Noticee No. 5), Shri Vishwa Bandhu Vashistha (Noticee No. 6), Shri Deena Nath Maurya (Noticee No. 7), Mukesh Kumar Khare (Noticee No. 11), Shri Surendra Singh (Noticee No. 14), Shri Ram Kishor Prajapati (Noticee No. 15), Shri Rajesh Singh Yadav (Noticee No. 16) and Shri Sita Ram Prajapati (Noticee No. 17) appeared via zoom for the hearing on July 29, 2025. Shri Arvind Tiwari (Noticee No. 8) appeared in person for the hearing on July 29, 2025.
14. Hearing notice was published for the Noticee No. 1,2,3 (*for hearing scheduled on August 25, 2025*) and 10,12,13 (*for hearing scheduled on August 26, 2025*) on August 14, 2025 through newspapers viz. ‘*The Times of India – Lucknow, Varanasi*’, ‘*Amar Ujala- Kanpur, Bareilly, Lucknow, Pilibhit edition*’. However, none of these noticees availed the said opportunity of hearing on August 25 & 26, 2025.
15. Submissions of the Noticees in response to the SCN, during the hearings held on October 22, 2024, November 25, 2024, December 17, 2024, June 12, 2025, July 29, 2025 and written replies are summarized below:

Shri Rajesh Kumar Sharma (Noticee No. 3):

- 15.1. The Noticee replied vide letter dated June 18, 2025, stating that he could not attend the hearing due to financial issues. He stated that he is unaware about his association with the Company by using his documents such as PAN card, voter card, etc. which were collected when he was working in V.A.M.C factory in 2005 by the owner. He re-iterated his submissions vide letter dated August 22, 2025.

Shri Shiva Nand Mishra (Noticee No. 5):

15.2. During hearing, he stated that he was not aware about his appointment as a director in the Company. Vide email dated June 16, 2025, he submitted a copy of an affidavit of Dr. P.P.S. Sethi in respect of M/s Geoshine Mines 2 Metals Limited and vide email dated June 24, 2025, requested to use this affidavit as an evidence in the present proceedings. The Noticee, vide email dated July 31, 2025 *inter-alia*, stated that he worked as a Commercial Officer in Vamshi Exports Limited (presently Vamshi Chemicals Limited) in Barabanki, U.P. since December 16, 2003 and was looking after the sales and stock management. In 2014 after the unit closed, noticee started working elsewhere. Dr. P.P.S. Sethi was the owner of Vamshi Exports Limited and as they did not provide consent, their signatures were forged. The noticee was never involved in any collection of money in MTEL or any company of Dr. P.P.S. Sethi.

Shri Vishwa Bandhu Vashishta (Noticee No. 6)

15.3. Vide letter dated October 15 & 30, 2024, the Noticee *inter-alia* submitted that he worked in Vamshi Chemicals Limited, formed by Dr. P.P.P. Sethi, from May 2005 to June 2012 in various designations from executive to manager. During this period, he was forced to sign some blank documents and not aware how these documents have been used. He submitted that he was also framed in a case in the Hon'ble Court of Additional Chief Judicial Magistrate, Tinsukia, Assam for accepting deposits for M/s Vamshi Exports Limited where he was acquitted. He also informed about filing of complaint with the CBI with copies to PMO, SFIP, CP New Delhi, Registrar of Companies ('**ROC**') Mumbai, Kanpur and Chandigarh to investigate frauds done by Dr. P.P.S. Sethi. and submitted copy of complaint with the CBI about forged signatures to introduce him as director/additional director/MD in different companies (including MTEL) which were registered in different ROCs.

15.4. The Noticee, vide letter dated October 30, 2024 informed that he could not attend the hearing on October 22, 2024 due to technical issue and was asked to file

written submissions. He re-iterated his submissions during the hearings. Vide email/letter dated July 28 & August 27, 2025, he stated that his bank accounts and demat accounts have already been attached by SEBI.

Shri Deena Nath Maurya (Noticee No. 7):

16. The Noticee, during the hearing on July 29, 2025 submitted that he was not aware about his directorship in the Company. He also filed written submissions vide email dated July 29, 2025, *inter-alia*, stating he is unaware about MTEL and submitted a copy of an affidavit of Dr P.P.S. Sethi, identifying himself as a Chief Managing Director in various companies viz., Geoshine, Milani, Petron, etc.

Shri Arvind Tiwari (Noticee No. 8):

17. The Noticee, vide letter dated December 10, 2024, *inter-alia*, stated that he came in contact with Shri Dilip Mishra who claimed to be the zonal manager of Versatile Plantation Limited ('VPL') who introduced him to Mr. P.P.S.Sethi. Thereafter, the Noticee became an agent of LIC due to financial issues in VPL. Dr. P.P.S. Sethi offered him a job in Appilant Cosmetic Limited; however, the Noticee refused due to past experience. In 2007, Dr. P.P.S. Sethi started business of insurance brokers and micro insurance work of LIC, Birla Sunlife, Reliance Life Insurance and Bajaj Alliance and appointed Noticee No. 8 as Chief Insurance Executive in M/s Keytrade Insurance Company. In 2015, the Noticee came to know that his name was misused by Mr. P.P.S. Sethi and/or his associates. Subsequently, with the help of a Company Secretary, he filed resignation with Geoshine Mines 2 Metals Limited with the ROC specifically pointing that his signature in appointment letter were forged and he was not communicated about his appointment. Similarly, he was fraudulently made directors in other companies of Dr. P.P.S. Sethi. He filed resignation in MTEL on April 21, 2016 and copy of cessation of directorship from 6 companies (including MTEL) w.e.f. April 13, 2016. He has also submitted copy of resignation acceptance letter dated March 09, 2020 from the Company. He has submitted copy of Form No. DIR-11 stating reason for resignation forged signature for his appointment dated January 29, 2015.

Shri Pashupati Nath Dixit (Noticee No. 9):

17.1. During the hearing, the Noticee stated that he was not aware that he was made a director in MTEL.

Shri Mukesh Kumar Khare (Noticee No. 11):

17.2. The Noticee stated that he was pursuing his M.A. when he was offered a job in the dispatch department where Dr. P.P.S. Sethi was the Managing Director ('MD'). He was not given any appointment letter but was offered the job orally. In 2010-11, for the purpose of PF, documents such as ration card, aadhar card, PAN card and bank account number were sought from the employees. In 2015-16, as the company was delaying salary payments, he left the company. On realizing that his name has been used as a director, he approached Amit Mishra, Manager who assured him that his name would be removed. He stated that the company has cheated him. The noticee tried to file FIR but was informed to either go to Allahabad or file it online. He was unable to file online FIR. In 2018, w.r.t a summon he went to Delhi Patiala Court w.r.t En Aromatic where he met others whom he did not know and who were facing similar investigations from EOW, CBI, SFIO and hence together they engaged a lawyer. He stated that he was not aware about appointment as a director in the Company and re-iterated the same during the hearing and vide email dated July 30, 2025.

Shri Ram Vishal Telars (Noticee No. 13):

17.3. The Noticee vide letter dated July 19, 2024 replied to the SCN stating that he is not highly qualified. Dr. P.P.S. Sethi was the Chairman and Shri Avadhut Kumar Mandal was the General Manager in Togo Retail Marketing wherein the Noticee joined as an agent in 2007. The chairman, general manager and Ram Asare Prajapati from Fatehpur have schemed together and misused their documents and made him a director. He became aware of it in 2020. He then approached ROC Kanpur where he became aware that he was made a director on a single day in various companies for a period of 3 or 6 months to maximum 20 months. He was fraudulently made a director in the

Company and was neither aware about his appointment nor resignation in MTEL. He has submitted a copy of FIR No. 0200/2022 on March 29, 2022 with Fatehpur Police Station and a copy of an affidavit by Dr P.P.S. Sethi, identifying himself as a Chief Managing Director in various companies viz., Geoshine, Milani, Petron, etc. He stated that he was not aware that he has been director in the Company and also submitted copies of FIR. During hearing, he re-iterated that he was not aware that he has been made director in the Company and as per DIR 11, his date of resignation is March 22, 2021.

Shri Surendra Singh (Noticee No. 14):

17.4. The Noticee vide letter dated July 18, 2024 replied to the SCN. He has made submissions on similar lines as Noticee No. 13. He has submitted a copy of FIR No. 0875/2022 on November 21, 2022 with Fatehpur Police Station and a copy of an affidavit by Dr P.P.S. Sethi, identifying himself as a Chief Managing Director in various companies viz., Geoshine, Milani, Petron, etc. He stated that he was not aware that he has been director in the company and also submitted copies of FIR. He – reiterated his submissions during hearing and vide letter dated July 14, 2025 and email dated July 29, 2025.

Shri Ram Kishor Prajapati (Noticee No. 15):

17.5. The Noticee replied vide letter dated July 15, 2024. He has made submissions on similar lines as Noticee No. 13. He has submitted a copy of FIR No. 0805/2022 on October 20, 2022 with Fatehpur Police Station and a copy of an affidavit by Dr P.P.S. Sethi, identifying himself as a Chief Managing Director in various companies viz., Geoshine, Milani, Petron, etc. He stated that he was not aware that he has been director in the Company and also submitted copies of FIR. He –reiterated his submissions during hearing and vide letter dated July 14, 2025 and email dated July 29, 2025.

Shri Rajesh Singh Yadav (Noticee No. 16):

17.6. The Noticee replied vide letter dated July 18, 2024 in reply to the SCN. He has made submissions on similar lines as Noticee No. 13. He has submitted a copy of FIR No. 0940/2022 on December 23, 2022 with Fatehpur Police Station and a copy of an affidavit by Dr P.P.S. Sethi, identifying himself as a Chief Managing Director in various companies viz., Geoshine, Milani, Petron, etc. He stated that he was not aware that he has been director in the Company and also submitted copies of FIR. He – reiterated his submissions during hearing and vide letter dated July 14, 2025 and email dated July 29, 2025.

Shri Sita Ram Prajapati (Noticee No. 17):

17.7. The Noticee vide letter dated July 17, 2024 replied to the SCN. He has made submissions on similar lines as Noticee No. 13. He has submitted a copy of FIR No. 0213/2022 on March 26, 2023 with Fatehpur Police Station and a copy of an affidavit by Dr P.P.S. Sethi, identifying himself as a Chief Managing Director in various companies viz., Geoshine, Milani, Petron, etc.

17.8. He stated that he was not aware that he has been director in the Company and also submitted copies of FIR. He –reiterated the same during hearing and vide email dated July 19, 2025. He has also submitted copy of digitally signed Form No. DIR -11 stating reason for resignation as ‘*appointed as a director in several companies with mala fide intention and without his knowledge*’ wherein date of appointment is mentioned as September 30, 2019 and effective date of resignation is March 22, 2021.

Shri Chhotelal Shukla (Noticee No. 19):

17.9. The Noticee replied vide email dated July 01, 2024. He was working in Jaig Polymers Ltd. and was appointed as a Supervisor from December 29, 1988. Jaig Polymers Ltd. was taken over by Dr.P.P.S. Sethi on November 01, 1996. Many employees left the company as there was no production nor salary. As Dr. P.P.S. Sethi

assured Noticee No. 19 that he would receive his entire remaining remuneration, he continued with the company. It was only in April 24, 2015 after receiving a letter from SEBI that he realized that Dr. P.P.S. Sethi had misused his name and document. He then realized that he has been made a director in 26 companies. He has filed his complaint before EOW, SFIO and Delhi Police and submitted a copy of complaint filed with EOW. He stated that he was not aware about his appointment as a director in the company. He –reiterated his submissions during hearing and vide email dated June 12, 2025 and letter dated June 13, 2025.

CONSIDERATION OF ISSUES

18. I have considered the allegations and materials available on record such as the SCN, replies and oral submissions made during the personal hearings, records of directors w.r.t. tenure as received from the ROC vide letter dated September 15, 2023, details of complaints available. On perusal of the same, the following issues arise for consideration. Each question is dealt with separately under different headings.

18.1. *Whether the Company came out with the Offer of RCPS as stated in the SCN in violation of Section 56(1), 56(3), Section 60 read with Section 2(36), 64(1), 67(3) and 73 of the Companies Act, 1956 read with the corresponding provisions of the Companies Act, 2013.*

18.2. *If the findings on issue no. 1 are found in the affirmative, who shall be liable for the violation committed?*

Issue No. 1: Whether the Company came out with the Offer of RCPS as stated in the SCN in violation of Section 56(1), 56(3), Section 60 read with Section 2(36), 64(1), 67(3) and 73 of the Companies Act, 1956 read with the corresponding provisions of the Companies Act, 2013.

19. I note that SEBI has received numerous complaints w.r.t. issuance of RCPS by MTEL during FY 2011-12. Further, on perusal of documents available on record, it is noted that there are no filings made by the Company w.r.t. issuance of RCPS with the ROC.
20. I note that SEBI issued summons to MTEL on November 10, 2014 for submission of information w.r.t. alleged issuance of RCPS to the Investigating Authority ('IA') and to MTEL and Shri Mukesh Kumar Khare (Noticee No. 11), Shri Vishwa Bandhu Vashishta (Noticee No. 6), Shri Deena Nath Maurya (Noticee No. 7) and Shri Prithi Paul Singh Sethi (Noticee No. 2) requiring them to appear before the IA and submit information about issuance of preference shares. However, they neither appeared nor submitted any information. SEBI continued to receive complaints in 2017, 2018 and 2019 alleging issuance of RCPS by the Company.
21. Despite specific information being sought from the Company and the directors from time to time, no information has been received w.r.t. the issuance of RCPS by the Company. Further, there are no filings made by the Company regarding issuance of these securities. However, based on the complaints received by SEBI, it is observed that MTEL has issued 14,143 number of RCPS to 127 investors during FY 2011-12 and raised ₹ 4,12,20,000/-. I further note from the complaint details and copies of certificates available on record that the date of allotment is December 20, 2011.
22. I observe that SEBI has received complaints from 127 investors complaining about the non-receipt of maturity amount w.r.t. RCPS issued to them during FY 2011-12 by MTEL. I also note that there is no information on record whether the Company/directors have made the refund to investors in terms of the SEBI Circular. In the instant matter, I find that RCPS were issued by MTEL to at least 127 investors in the FY 2011-2012 and an amount of ₹ 4,12,20,000/- was raised. The actual amount raised by the Company through issuance of RCPS may be more than ₹ 4,12,20,000/-, as this amount is based on the complaints received by SEBI. On perusal of the replies received during examination or to the SCN, I observe

that the Company has not responded to the SCN not availed the opportunity of personal hearing in respect of the alleged issuance of RCPS by MTEL during FY 2011-12.

23. The alleged violations of provisions in the SCN are applicable to the Offer of RCPS made to the public. Therefore, the primary question that arises for consideration is whether the issue of RCPS is ‘public issue’.

24. The following observations of the Hon'ble Supreme Court of India in *Sahara India Real Estate Corporation Limited & Ors. v. SEBI (Civil Appeal no. 9813 and 9833 of 2011)* (hereinafter referred to as the “**Sahara Case**”), while examining the scope of Section 67 of the Companies Act, 1956, are worth consideration:

“Section 67(1) deals with the offer of shares and debentures to the public and Section 67(2) deals with invitation to the public to subscribe for shares and debentures and how those expressions are to be understood, when reference is made to the Act or in the articles of a company. The emphasis in Section 67(1) and (2) is on the “section of the public”. Section 67(3) states that no offer or invitation shall be treated as made to the public, by virtue of subsections (1) and (2), that is to any section of the public, if the offer or invitation is not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation or otherwise as being a domestic concern of the persons making and receiving the offer or invitations. Section 67(3) is, therefore, an exception to Sections 67(1) and (2). If the circumstances mentioned in clauses (1) and (b) of Section 67(3) are satisfied, then the offer/invitation would not be treated as being made to the public.

The first proviso to Section 67(3) was inserted by the Companies (Amendment) Act, 2000 w.e.f. 13.12.2000, which clearly indicates, nothing contained in Sub-section (3) of Section 67 shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more. ... Resultantly, after 13.12.2000, any offer of securities by a public company to fifty persons or more will be treated as a public issue under the Companies Act, even if it is of domestic concern or it is proved that the shares or debentures are not available for subscription or purchase by persons other than those

receiving the offer or invitation.”

25. Section 67(3) of Companies Act, 1956 provides for situations when an offer is not considered as offer to public. As per the said sub section, if the offer is one which is not calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation, or, if the offer is the domestic concern of the persons making and receiving the offer, the same are not considered as public offer. Under such circumstances, they are considered as private placement of shares and debentures. It is noted that as per the first proviso to Section 67(3) Companies Act, 1956, the public offer and listing requirements contained in that Act would become automatically applicable to a company making the offer to fifty or more persons. However, the second proviso to Section 67(3) of Companies Act, 1956 exempts NBFCs and Public Financial Institutions from the applicability of the first proviso.
26. On examination of the material available on record, it is seen that MTEL is not a non-banking financial company or public financial institution within the meaning of Section 4 of the Companies Act, 1956. In view of the aforesaid, MTEL is not covered under the exception mentioned at second proviso to Section 67(3) of the Companies Act, 1956.
27. Neither MTEL nor its directors have contended that the Offer of RCPS does not fall within the ambit of first proviso of section 67(3) of Companies Act, 1956. The above findings lead to a reasonable conclusion that the Offer of RCPS by MTEL was a “public issue” within the meaning of the first proviso to section 67(3) of the Companies Act, 1956 and MTEL was mandated to comply with the ‘public issue’ norms as prescribed under the Companies Act, 1956.
28. Even in cases where the allotments are considered separately, reference may be made to Sahara Case, wherein it was held that under Section 67(3) of the Companies Act, 1956, the "Burden of proof is entirely on Saharas to show that the investors are/were their employees/workers or associated with them in any other capacity which they have not discharged." In respect of those issuances, there is no material on record that the allotment

was in satisfaction of Section 67(3)(a) or 67(3)(b) of Companies Act, 1956 i.e. it was made to the known associated persons or domestic concern. Therefore, I find that the said issuance cannot be considered as private placement.

29. Therefore, in view of the material available on record, I find that the Offer of RCPS by MTEL falls within the first proviso of Section 67(3) of Companies Act, 1956. Hence, the Offer of RCPS is deemed to be public issue and MTEL was mandated to comply with the 'public issue' norms as prescribed under the Companies Act, 1956.

30. Further, since the offer of RCPS is a public issue of securities, such securities shall also have to be listed on a recognized stock exchange, as mandated under section 73 of the Companies Act, 1956. As per section 73(1) and (2) of the Companies Act, 1956, a company is required to make an application to one or more recognized stock exchanges for permission for the shares or debentures to be offered to be dealt with in the stock exchange and if permission has not been applied for or not granted, the company is required to forthwith repay with interest all moneys received from the applicants.

31. The securities issued by MTEL are not listed on any stock exchange. I also find that no records have been submitted to indicate that it has made an application seeking listing permission from stock exchange or refunded the amounts on account of such failure. Therefore, I find that MTEL has contravened the said provisions. MTEL has not provided any records to show that the amount collected by it is kept in a separate bank account. Therefore, I find that MTEL has also not complied with the provisions of Section 73(3) which mandates that the amounts received from investors shall be kept in a separate bank account. Therefore, I find, that Section 73(3) of the Companies Act, 1956 has not been complied with.

32. Section 2(36) of the Companies Act read with Section 60 thereof, mandates a company to register its 'prospectus' with the RoC, before making a public offer/ issuing the 'prospectus'.

As per the aforesaid Section 2(36), “prospectus” means any document described or issued as a prospectus and includes any notice, circular, advertisement or other document inviting deposits from the public or inviting offers from the public for the subscription or purchase of any shares in, or debentures of, a body corporate. As the offer of RCPS was a deemed public issue of securities, MTEL was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. I find that MTEL has not submitted any record to indicate that it has registered a prospectus with the RoC, in respect of the offer of RCPS. I, therefore, find that MTEL has not complied with the provisions of Section 60 read with section 2(36) of the Companies Act, 1956.

33. In terms of section 56(1) of the Companies Act, 1956, every prospectus issued by or on behalf of a company, shall state the matters specified in Part I and set out the reports specified in Part II of Schedule II of that Act. Further, as per Section 56(3) of the Companies Act, 1956, no one shall issue any form of application for shares in a company, unless the form is accompanied by abridged prospectus, containing disclosures as specified. Neither MTEL nor its directors produced any record to show that it has issued Prospectus containing the disclosures mentioned in Section 56(1) of the Companies Act, 1956, or issued application forms accompanying the abridged prospectus. Therefore, I find that, MTEL has not complied with sections 56(1) and 56(3) of the Companies Act, 1956.

34. Further, I note that the jurisdiction of SEBI over various provisions of the Companies Act, 1956 including the above mentioned, in the case of public companies, whether listed or unlisted, when they issue and transfer securities, flows from the provisions of Section 55A of the Companies Act, 1956. While examining the scope of Section 55A of the Companies Act, 1956, the Hon'ble Supreme Court of India in *Sahara Case*, had observed that:

"We, therefore, hold that, so far as the provisions enumerated in the opening portion of Section 55A of the Companies Act, so far as they relate to issue and transfer of securities and non-payment of dividend is concerned, SEBI has the power to administer in the case

of listed public companies and in the case of those public companies which intend to get their securities listed on a recognized stock exchange in India."

"SEBI can exercise its jurisdiction under Sections 11(1), 11(4), 11A(1)(b) and 11B of SEBI Act and Regulation 107 of ICDR 2009 over public companies who have issued shares or debentures to fifty or more, but not complied with the provisions of Section 73(1) by not listing its securities on a recognized stock exchange"

35. In this regard, it is pertinent to note that by virtue of Section 55A of the Companies Act, 1956, SEBI has to administer Section 67 of that Act, so far as it relates to issue and transfer of securities, in the case of companies who intend to get their securities listed. While interpreting the phrase "intend to get listed" in the context of deemed public issue the Hon'ble Supreme Court in *Sahara Case* observed-

"...But then, there is also one simple fundamental of law, i.e. that no-one can be presumed or deemed to be intending something, which is contrary to law. Obviously therefore, "intent" has its limitations also, confining it within the confines of lawfulness..."

"...Listing of securities depends not upon one's volition, but on statutory mandate..."

"...The appellant-companies must be deemed to have "intended" to get their securities listed on a recognized stock exchange, because they could only then be considered to have proceeded legally. That being the mandate of law, it cannot be presumed that the appellant companies could have "intended", what was contrary to the mandatory requirement of law..."

36. The Companies Act, 1956, has been repealed by the Companies Act 2013 and anything done or any action taken or purported to have been done or taken under the Companies Act, 1956, is deemed to have been done or taken under the corresponding provisions of the

Companies Act, 2013, by virtue of Section 465(2) of the Companies Act, 2013 and is therefore saved regardless of the repeal of the Companies Act, 1956.

37. In view of the above findings, I am of the view that MTEL was engaged in fund mobilizing activity from the public, through the offer of RCPS and has contravened the provisions of Section 56(1), 56(3), 60 read with 2(36), 73(1), 73(2), 73(3) of the Companies Act, 1956 read with Section 465(2) of the Companies Act, 2013.

Issue No. 2: If the findings on issue no. 1 are found in the affirmative, who shall be liable for the violation committed?

38. With regard to the liability of the directors, from the details received from ROC, I note that list of directors/additional directors in the Company has been provided. I further note that the date of allotment, in complaints received by SEBI, is December 20, 2011. Further, some of the noticees, along with their replies, have submitted copies of form DIR-11. In view of the above, I note that the following directors were present during the period of issuance or joined post the period of issuance of RCPS:

Table 1 Details of directors of MTEL

Noticee No.	Name of the Noticee	Designation	Date of appointment	Date of cessation
<i>During the period of issuance</i>				
2	Dr. P.P.S.Sethi	Director	April 25, 2011	March 29, 2012
3	Rajesh Kumar Sharma	Director	September 14, 2010	March 24, 2012
5	Shiva Nand Mishra	Director	July 10, 2009	April 03, 2013
<i>Post the period of issuance</i>				
3	Rajesh Kumar Sharma#	Additional Director	January 29, 2015	March 09, 2020
6	Vishwa Bandhu Vashishta	Additional Director	March 20, 2012	February 12, 2015
7	Deena Nath Maurya	Additional Director	March 24, 2012	February 12, 2015
8	Arvind Tiwari	Additional Director	January 29, 2015	April 13, 2016
9	Pashupati Nath Dixit	Additional Director	January 29, 2015	July 18, 2019
10	Ramendra Prasad Sharma	Additional Director	January 29, 2015	September 09, 2016
11	Mukesh Kumar Khare	Additional Director	September 09, 2016	July 18, 2019

12	Maiku Lal	Director	December 21, 2020	
13	Ram Vishal Telars	Director	December 21, 2020	March 22, 2021
14	Surendra Singh	Additional Director	August 17, 2018	March 09, 2020
15	Ram Kishor Prajapati	Additional Director	August 17, 2018	July 18, 2019
16	Rajesh Singh Yadav	Additional Director	August 17, 2018	March 09, 2020
17	Sita Ram Prajapati*	Director	December 21, 2020	March 22, 2021
18	Bharat Subhash Prasad Maurya	Additional Director	April 23, 2018	August 31, 2018
19	Chhotelal Shukla	Additional Director	August 25, 2014	February 12, 2015

Shri Rajesh Kumar Sharma was re-appointed on January 29, 2015.

*Sita Ram Prajapati was an additional director from February 26, 2020 to December 21, 2020

39. I note that Noticee No. 4 joined the Company on October 10, 2010 and ceased to be director in the Company from April 25, 2011 (i.e. prior to the period of issuance). Further, I note that Noticee no. 2,3 and 5 were directors in the Company during the period of issuance of RCPS. I also note that Noticee No. 3 was re-appointed and Noticee No. 6,7,8,9,10,11,13, 14,15,16,17, 18 and 19 have joined the Company post the period of issuance and ceased to be directors on dates mentioned in the table above. Further, Noticee No. 12 has joined the Company post the period of issuance and is still continuing.

40. Section 56(1) and 56(3) read with Section 56(4) of the Companies Act, 1956 imposes the liability on the company, every director, and other persons responsible for the prospectus for the compliance of the said provisions. The liability for non-compliance of Section 60 of the Companies Act, 1956 is on the company and every person who is a party to the non-compliance of issuing the prospectus as per the said provision. There is no material on record w.r.t. the prospectus. Therefore, MTEL and its directors at the time of RCPS issuance, viz. Shri Prithi Paul Singh Sethi ('Noticee No. 2'), Shri Rajesh Kumar Sharma ('Noticee No. 3') and Shri Shiva Nand Mishra ('Noticee No. 5'), are held liable for the violation of sections 56(1), 56(3) and 60 of the Companies Act, 1956.

41. As far as the liability for non-compliance of Section 73 of Companies Act, 1956 is concerned, as stipulated in section 73(2) of the said Act, the company and every director of the company who is an officer in default shall, from the eighth day when the company

becomes liable to repay, be jointly and severally liable to repay that money with interest at such rate, not less than four per cent and not more than fifteen per cent if the money is not repaid forthwith. With regard to liability to pay interest, I note that as per Section 73 (2) of the Companies Act, 1956, the company and every director of the company who is an officer in default is jointly and severally liable, to repay all the money with interest at prescribed rate. In this regard, I note that in terms of rule 4D of the Companies (Central Governments) General Rules and Forms, 1956, the rate of interest prescribed in this regard is 15%.

42. As per Section 5 of the Companies Act, 1956, “officer who is in default” means (a) the managing director(s); (b) the whole-time director(s); (c) the manager; (d) the secretary; (e) any person in accordance with whose directions or instructions the Board of directors of the company is accustomed to act; (f) any person charged by the Board with the responsibility of complying with that provision; (g) where any company does not have any of the officers specified in clauses (a) to (c), any director or directors who may be specified by the Board in this behalf or where no director is so specified, all the directors.
43. In the present case, I note that some of the Noticees have submitted a copy of notarized affidavit signed by Dr. P.P.S. Sethi stating that he is the Chief Managing Director of the Company and is responsible for payment of the maturity amount to the investors.
44. Accordingly, hand delivery of the Hearing Notice to Noticee No. 2, along with the copy of SCN and copy of notarized affidavit, was attempted at the address mentioned in the affidavit vide letter dated September 10, 2025. Since, the hand delivery was unsuccessful, Hearing Notice (specifically mentioning the fact about copy of notarized affidavit) was published on September 20, 2025 through newspapers viz. Mumbai edition of ‘Times of India’, ‘Navbharat’, ‘Navrashtra’ and Lucknow edition of ‘Hindustan Times’, ‘Dainik Jagran’ for a hearing scheduled on September 29, 2025. However, Noticee No. 2 did not avail the opportunity of hearing. Further, authenticity of signature from the notary whose signature was available on the copy of notarized affidavit was verified vide communications dated September 25, 26 and 29, 2025. Thus, I am satisfied that the affidavit is authentic. The opportunity of hearing was accorded in consonance with the principles of natural justice,

but Noticee No. 2 has not availed the same to dispute the affidavit given by him. In the absence of any dispute or contradictory evidence, I accept the affidavit ~~to be genuine~~ and Noticee No. 2 to be the MD in the Company.

45. Accordingly, Noticee No. 2 falls under the definition of officer in default in terms of Section 5(a) of the Companies Act, 1956 and is liable to make refund along with interest at the rate of 15% per annum under Section 73(2) of the Companies Act, 1956 for the non-compliance of the above mentioned provisions. As mentioned earlier, he has not disputed this legal liability by way of any written or oral submissions. Since, the liability of the company to repay under section 73(2) is continuing and such liability continues till all the repayments are made, the MD is responsible along with the Company for making refunds along with interest under section 73(2) of the Companies Act, 1956 read with rule 4D of the Companies (Central Government's) General Rules and Forms, 1956. Therefore, I find that MTEL and Shri Prithi Paul Singh Sethi, MD of the Company are jointly and severally liable to refund the amounts collected from the investors at the rate of 15% per annum, for the non-compliance of the above mentioned provisions.

46. In view of the foregoing, the natural consequence of not adhering to the norms governing the issue of securities to the public and making repayments as stipulated under section 73(2) of the Companies Act, 1956, is to direct MTEL and its MD, viz. Shri Prithi Paul Singh Sethi to refund the monies collected, with interest to such investors and also pass appropriate direction for debarment.

47. The Noticees i.e. MTEL ('Noticee No. 1'), Shri Ramendra Prasad Sharma (Noticee No. 10), Shri Maiku Lal (Noticee No. 12) and Shri Bharat Subhash Prasad Maurya (Noticee No. 18) have neither replied to the SCN nor have appeared before me in these proceedings.

48. Shri Rajesh Kumar Sharma (Noticee No. 3) and Shri Shiva Nand Mishra (Noticee No. 5) in their replies have stated that they were not aware about their appointment as directors in the Company and were mere employees in other companies. Shri Shiva Nand Mishra also

stated about forged signatures. Shri Deena Nath Maurya (Noticee No. 7) and Shri Pashupati Nath Dixit (Noticee No. 9) stated that they were unaware about appointment in the Company as directors. Shri Vishwa Bandhu Vashistha (Noticee No. 6), Shri Arvind Tiwari (Notice No. 8) and Shri Mukesh Kumar Khare (Noticee No. 11) stated about forged signatures. Noticee No. 13,14,15,16,17 stated that they were fraudulently made directors and were unaware about appointment and resignation in MTEL and submitted copies of FIR. Shri Chhotelal Shukla (Noticee No. 19) also stated that his name and documents have been misused by Dr. P.P.S. Sethi and he has filed a complaint before EOW, SFIP and Delhi Police and submitted copy of complaint filed with EOW.

49. I have considered the submissions of these noticees. However, in cases where persons claim forgery or misuse of their documents, the burden of proof lies upon the person who claim such defence. In the instant matter, the obligation to prove the same lies upon the said noticees. In this regard, I note the following observations of the Hon'ble Securities Tribunal in the matter of Kalidas Dutta vs. SEBI (decided on January 23, 2018)

“we are of the considered opinion that this appeal can be disposed of with a direction to the appellant to obtain appropriate documents/orders from the competent authority to the effect that he was fraudulently appointed as director of the company in question on 10th February, 2015. For this purpose, the appellant is granted time up to one year to do the needful and submit the same to SEBI”.

50. I also note that some of these noticees were arrayed as noticees in other orders passed by SEBI in the past w.r.t similar allegation of deemed public issue wherein they had taken a similar plea of alleged forgery. For example, in the Order dated July 11, 2019 in the matter of Togo Retail Marketing Ltd. (earlier known as M/s. Multi-ExMarketing & Communications Ltd.) directors viz. Shri Chhotelal Shukla (Noticee No. 19), Shri Shiva Nand Mishra (Noticee No. 5), Shri Deena Nath Maurya (Noticee No. 7) and Shri Vishwa Bandhu Vashistha (Noticee No. 6), in the Order dated June 27, 2019 in the matter of M/s Q&B Retail Limited (earlier known as M/s. Basil Express Ltd.) the noticees viz. Shri

Chhotelal Shukla (Noticee No. 19), Shri Deena Nath Maurya (Noticee No. 7) and Shri Vishwa Bandhu Vashishta (Noticee No. 6) along with Shri Arvind Tiwari (Noticee No. 8) and in the Order dated May 29, 2019 in the matter of Nixcil Pharmaceuticals Specialities Ltd (now known as Heivero Pharmaceuticals Ltd.), the noticees i.e. Shri Deena Nath Maurya (Noticee No. 7) along with Shri Vishwa Bandhu Vashishta (Noticee No. 6) and Shri Arvind Tiwari (Noticee No. 8) were granted 365 days' time to obtain appropriate order from the competent authority with respect to their allegation of forgery. In the instant matter, the noticees were aware that they have been arrayed as noticees in the proceedings regarding the alleged violation of issue of RCPS to the public and they have taken similar defense as in the earlier proceedings. While the present proceedings are distinct from earlier proceedings and the noticees are not bound to produce court order as directed in the earlier proceedings, I note that no submissions have been made by the noticees to demonstrate steps taken by them with regard to their claim of forgery (except for filing of FIRs) which could be strong pointer of forgery in the instant matter. However, absence of this, makes the claim of forgery, non-credible and non-acceptable.

51. The Noticees No. 11, 13,14,15,16 and 17 have also alleged about forgery/misuse of their documents but have not provided any evidence for it. Noticee No. 13, 14,15,16 and 17 have alleged that certain officials of the Company i.e. Avadhut Kumar Mandal and Ram Asare Prajapati who are not part of the current proceedings along with Noticee No. 2 have misused their documents and have made them directors in various companies. They have stated that they had no knowledge as to when they were appointed or resigned as directors from the Company. They have stated to have filed FIRs. However, there is no final outcome on the same. Although, these noticees were aware that SEBI was seeking information with respect to the issuance of securities to the public by MTEL during examination and also during the current proceedings, they have not demonstrated with cogent evidence that their documents were misused (except for filing FIRs by some of them, outcome of which is not known as no documents supporting the outcome was submitted).

52. In view of the above, MTEL (‘Noticee No. 1’) and Shri Prithi Paul Singh Sethi (‘Noticee No. 2’) have the continuing obligation to repay the amounts collected in violation of deemed public issue. Further, Noticee No. 2, 3 and 5 were directors during the period of issuance. Hence, in order to safeguard the interests of investors, to prevent further harm to investors and to ensure orderly development of securities market, they become liable to be debarred for an appropriate period of time.
53. Further, Noticee No. 6,7,8,9,10,11,13,14,15,16, 17, 18 and 19 were appointed as directors in the Company only post mobilization of funds and they ceased to be directors in the Company as per available records. Accordingly, they are not liable for refund directions. However, as these noticees have failed to ensure refund during their respective period of directorship, they are liable to be debarred from securities market. As considerable time has passed since occurrence of the action, keeping that as a relevant factor, the direction for debarment has been made for appropriate period.
54. Further, Shri Maiku Lal (‘Noticee No. 12) who joined pursuant to issuance of RCPS and still continuing is obligated to ensure compliance of the refund. As he has failed to ensure refund to the investors during the period of his directorship, he is liable to be debarred from securities market. As considerable time has passed since occurrence of the action, keeping that as a relevant factor, the direction for debarment has been made for appropriate period.
55. In view of the violations committed by the Company and its directors, to safeguard the interest of investors who had subscribed to RCPS issued by the Company, to safeguard their investments, and to further ensure orderly development of securities market, it becomes necessary for SEBI to issue appropriate directions.

DIRECTIONS

56. In view of the aforesaid observations and findings, I, in exercise of the powers conferred under Section 19 read with Sections 11(1), 11(4), 11A and 11B(1) of the SEBI Act, hereby issue the following directions:

56.1. MTEL and Shri Prithi Paul Singh Sethi shall, forthwith refund the money to the investors, jointly and severally, collected by the Company through issuance of RCPS (including application money collected from investors till date, pending allotment of securities, if any) in FY 2010-11 with an interest of 15% per annum, from the eighth day of collection of funds, to the investors till the date of actual payment.

56.2. MTEL and Shri Prithi Paul Singh Sethi are directed to provide a full inventory of all the assets and properties and details of all the bank accounts, demat accounts and holdings of mutual funds/shares/securities, if held in physical form and demat form, of the company and his own.

56.3. MTEL and Shri Prithi Paul Singh Sethi shall issue a public notice in all editions of two National Dailies (*one English and one Hindi*) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact person such as names, addresses and contact details, within 15 days of coming into force of this direction.

56.4. The repayments and interest payments shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments.

56.5. MTEL and Shri Prithi Paul Singh Sethi are prevented from selling the assets, properties and holding of mutual funds / shares / securities held by them in demat and

physical form except for the sole purpose of making the refunds as directed above and deposit the proceeds in an Escrow Account opened with a nationalized bank. Such proceeds shall be utilized for the sole purpose of making refunds to the investors till full refund as directed above is made. Further, the banks are directed to allow debit only for the purpose of making refunds to the investors of the issuance of RCPS to the Escrow Account, as directed in this order, from the bank accounts of the Noticee no. 1 and 2.

56.6. After completing the aforesaid repayments, MTEL and Shri Prithi Paul Singh Sethi (on behalf of the Company) and Shri Prithi Paul Singh Sethi (in his personal capacity) shall file a report of such completion with SEBI addressed to the “Regional Director, Northern Regional Office, SEBI, NBCC Complex, Office Tower -1, 8th floor, Plate B, East Kidwai Nagar, New Delhi – 110023 within a period of three months from the date of this Order, duly certified by two independent peer reviewed Chartered Accountants who are in the panel of any public authority or public institution. The Report of Chartered Accountant shall specifically state that verification has been done by him that the repayments were done to the clients through banking channels. For the purpose of this Order, a peer reviewed Chartered Accountant shall mean a Chartered Accountant, who has been categorized so by the Institute of Chartered Accountants of India.

56.7. MTEL and on its behalf, the present director (i.e. Noticee No. 12) and Noticee No.2 shall ensure repayment to the investors.

56.8. In case of failure of the Noticees viz., MTEL and Shri Prithi Paul Singh Sethi and the director mentioned above to comply with the aforesaid directions, SEBI, on the expiry of three months from the date of this Order, may recover such amounts, from the company and Shri Prithi Paul Singh Sethi, in accordance with Section 28A of the SEBI Act, 1992 including such other provisions contained in securities laws;

56.9. MTEL and other noticees viz. Noticee no. 2,3, and 5 are directed not to, directly or indirectly, access the securities market, by issuing prospectus, offer document or advertisement soliciting money from the public and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of this Order, till the expiry of 4 (four) years from the date of completion of refunds to investors as directed above. Noticee no. 2, 3 and 5 are also restrained from associating themselves with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI from the date of this Order till the expiry of 4 (four) years from the date of completion of refunds to investors.

56.10. Noticee No. 6 to 19 are restrained from accessing the securities market and are further restrained from buying, selling or dealing in securities, in any manner whatsoever, for a period of 1 (one) year from the date of this order.

57. This order shall come into force with immediate effect.

58. A copy of this order shall be sent to all the notices, recognized Stock Exchanges, depositories and Registrar and Transfer Agents of mutual funds to ensure that the directions given above are strictly complied with.

Date: September 30, 2025

Place: Mumbai

N. Murugan

Quasi-Judicial Authority

Securities and Exchange Board of India