



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

DEPUTY GENERAL MANAGER
NORTHERN REGIONAL OFFICE

SEBI/NRO/NRO/NRO/P/OW/2024/16495/1
May 10, 2024

Noticee No.	Name of Noticee (DIN)	Address
1 ✓	Geoshine Mines 2 Metals Ltd. CIN : U74110UP1997PLC021979	P.No. 1033 SA, Kataula Gaushpur Main Road Airport, Post-Bamrauli, Ps. Dhoomanganj, Allahabad, Prayagraj, Uttar Pradesh, India 211012
2	Chhotelal Shukla DIN: 02706032 PAN : CLJPS2300B	129, Qamarauli, Sultanpur, Uttar Pradesh, India-227817
3	Shivanand Mishra DIN: 02706697 PAN : AJHPM9388B	532/185, Ka Mehendi Tola, Aliganj, Lucknow Uttar Pradesh, India-226022
4	Deena Nath Maurya DIN: 02824654 PAN : BJJPM1012K	Khamariya, S R N, Bhadohi Uttar Pradesh, India-221306
5	Mukesh Kumar Khare DIN: 06400147 PAN : BBVPM0966N	House No-338/26, Gular NAKABANDA Uttar Pradesh, India-210001
6	Arvind Tiwari DIN: 1629407 PAN : ADXPT8691C	A-51 New Agra, Uttar Pradesh, India-282005.
7	Pashupati Nath Dixit DIN: 1664553 PAN : AJPPD9322G	154, Asaf janpilibhit, Pilibhit Uttar Pradesh, India-262001
8	Rajesh Kumar Sharma DIN: 1731816 PAN : BFXPS2910E	48, Moh Mohtashim Khan, Pilibhit, Uttar Pradesh, India-271001

SCN in the matter of Geoshine Mines 2 Metals Limited

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“हम हिन्दी पत्राचार का स्वागत करते हैं।”

उत्तरी प्रादेशिक कार्यालय : प्लेट-बी, आठवीं मंजिल, ऑफिस टॉवर-1, एन बी सी सी कॉम्प्लेक्स, पूर्व कंदिवई नगर, नई दिल्ली - 110023

Northern Regional Office : Plate-B, 8th Floor, Office Tower-1, NBCC Complex, East Kidwai Nagar, New Delhi-110023 दूरभाष (Phone) : 011 - 69012998

प्रधान कार्यालय : सेबी भवन, प्लॉट सं. सी-4 'अ', जी-ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व) मुंबई - 400051 दूरभाष (Phone) : 022 - 26449000

Head Office : SEBI Bhavan, Plot No. C-4A, G-Block, Bandra Kurla Complex, Bandra (E) Mumbai - 400051 Web : www.sebi.gov.in



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9	Ramendra Prasad Sharma DIN: 2518373 PAN : AOBPS4499A	48, Mohtashim Khan, Pilibhit, Uttar Pradesh, India- 262001
10	Raj Kumar Verma DIN: 6605102	303, Yusuf jai-2 Chaudharana, Fatehpur, Uttar Pradesh, India-212601
11	Ram Vishal Prajapati DIN: 7072179	323, Dakshini Murain Tola Nala Vali Gali, Fatehpur, ABOONAGARFATHEPUR Uttar Pradesh, India-212601
12	Bharat Subhash Prasad Maurya DIN: 8101500	D/59 Panchsheel Chawl, Akurli road, Kranti Nagarnew budh vihar, Kandivali East Mumbai-400101
13	Surendra Singh DIN: 7524382	Jhaupurradha Nagar, Fatehpur, Uttar Pradesh ,India-212601
14	Ram Kishor Prajapati DIN: 7524405	Dariyapur, Akilabad, Fatehpur, Uttar Pradesh ,India-212663
15	Rajesh Singh Yadav DIN: 7524409	S/o Matru Singh, Dundradundara, Fatehpyr, Churiyani Fatehpur Uttar Pradesh ,India-212601
16	Sita Ram Prajapati DIN: 7526339	Shah, Fatehpur, Fatehpur, Uttar Pradesh ,India-212601
17	Vishwa Bandhu Vashistha DIN: 02707338 PAN : ABFPV9924N	Choona Danda, Sadabad Gate, Hathras, Uttar Pradesh, India-204101

Sub- Show Cause Notice under sections 11(1), 11(4), 11A and 11B(of the Securities and Exchange Board of India Act, 1992 read with Section 56(1), 56(3), 60, 2(36), 64(1), 67(3), 73 of Companies Act, 1956 against Geoshine Mines 2 Metals Limited and its Directors

I. Background:

1. The Securities and Exchange Board of India (hereinafter referred to as "SEBI") has been receiving complaints from a number of investors regarding their subscription of Redeemable Cumulative Preference Shares (hereinafter referred to as 'RCPS')





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issued by M/s Geoshine Mines 2 Metals Ltd. (hereinafter referred to as '**GM2ML**'/
Company).

2. GM2ML appears to have collected money from the public. SEBI has received complaints from investors which has shown that GM2ML has issued 188 RCPS to 103 investors during FY 2012-13 and have thereby raised about INR 71,55,500/-. The details of said complaints & list of the certificate holders are placed at **Annexure 1**.

II. About GM2ML:

3. GM2ML is an unlisted non-government public company with CIN U74110UP1997PLC021979 and registration number 021979. As per MCA records, the registered office address is at P.No. 1033 SA, Kataula Gaushpur Main Road Airport Post- Bamrauli, Ps. Dhoomanganj, Allahabad, Prayagraj, Uttar Pradesh, India, 211012
4. GM2ML was incorporated on May 16, 1997 as Basil Granites and Mining Private Limited and thereafter the name was changed to Geoshine Granites and Mining Private Limited. On June 07, 2012, name of the said company has been changed to Geoshine Mines 2 Metals Limited (**Annexure 2**).
5. From the Insolvency and Bankruptcy Board of India (IBBI) website, it was observed that GM2ML was under Corporate Insolvency Resolution Process (CIRP) since August 24, 2022. Further, from the National Company Law Tribunal, Allahabad Bench it is observed that vide Item No.109 dated November 21, 2023, the CIRP initiated against the company has been withdrawn. (**Annexure 3**)
6. As per the information provided by MCA, of the details of the Directors / Additional Directors of the company are as below:

Table: 1



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Sr. No	Name	Designation	Date of appointment at current designation	Date of Cessation
1	Chhotelal Shukla	Director	06.03.2012	12.02.2015
2	Shivanand Mishra	Director	06.03.2012	17.04.2013
3	Deena Nath Maurya	Director	06.03.2012	12.02.2015
4	Mukesh Kumar Khare	Additional Director	25.08.2014	12.02.2015
5	Arvind Tiwari	Additional Director	29.01.2015	13.04.2016
6	Pashupati Nath Dixit	Additional Director	29.01.2015	11.06.2019
7	Rajesh Kumar Sharma	Director	25.04.2011	13.03.2012
		Additional Director	29.01.2015	02.02.2015
8	Ramendra Prasad Sharma	Additional Director	29.01.2015	03.02.2015
9	Raj Kumar Verma	Director	03.02.2015	
10	Ram Vishal Prajapati	Director	03.02.2015	
11	Bharat Subhash Prasad Maurya	Additional Director	23.04.2018	31.08.2018
12	Surendra Singh	Additional Director	17.08.2018	01.10.2019
13	Ram Kishor Prajapati	Additional Director	17.08.2018	11.06.2019
14	Rajesh Singh Yadav	Additional Director	17.08.2018	11.06.2019
15	Sita Ram Prajapati	Director	30.09.2019	
16	Vishwa Bandhu Vashistha	Additional Director	17.04.2013	12.02.2015
17	Giriraj Vashistha	Director	22.06.2007	07.02.2009
18	Gyanendra Kumar Singh	Director	30.06.2007	25.09.2009
19	Munshi Lal Tewari	Director	07.02.2009	14.09.2010



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20	Shaukeen Pathak	Director	27.06.2006	25.04.2011
21	Manoj Kumar Joshi	Director	31.07.2009	13.03.2012
22	Purna Chandra Dash	Director	14.09.2010	13.03.2012

III. Information gathered from ROC filings:

7. On perusal of various forms viz Form 20B (Form for filing annual return) and Form 23 AC (Form for filing Balance Sheet) and its annexures filed with ROC for FY 2012-13 (**Annexure 4**), it is noted that the company has not mentioned about any preference shares being issued by the company for raising money. As per the company's filing with ROC, the following is seen:-

Table 2:

Financial Year	Authorised Share Capital (in Rs)	Issued Subscribed & Paid up Capital (in Rs)	Share Capital raised during
FY 2012-13	2000000 (200000 equity shares of Rs 10/-)	1957300 (195730 Equity shares of Rs 10/-)	Equity Shares-0 Preference Shares-0

8. Further, the company shareholders in FY 2012-13 as on September 30, 2013 as per the form of Annual Returns and its annexures is as follows:-

Number of shareholders as gathered from the Form of Annual Return is as below:

S.No.	Name of Shareholder	No. of shares held	% of shareholding
1	Basil Express Limited	10800	5.52%
2	Togo Retail Marketing Limited	4800	2.45%
3	Nixcil Pharmaceuticals Specialities Limited	45000	22.99%
4	Vamshi Chemicals Limited	4100	2.09%
5	Appeline Cosmetics & Toiletries Ltd.	7800	3.99%
6	Jaig Polymers Limited	42600	21.77%
7	Milani Techno Engineering Limited	44900	22.94%
8	Nav Jyoti Fincorp Limited	35730	18.25%
	TOTAL	195730	100%





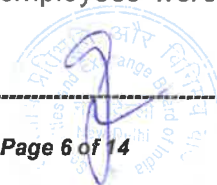
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IV. Information sought and response received

9. In view of the various complaints received against GM2ML with respect to the issue of RCPS during 2012-13, SEBI vide letter dated December 25, 2020 (**Annexure 5**) which was attempted to be hand delivered at four available addresses of GM2ML, advised the company to ensure complete compliance with the SEBI Circular CIR/CFD/DIL3/18/215 dated December 31, 2015 regarding the refund procedure and obtain a certificate of compliance in order to avoid penal action. However, neither the company nor the officials/ promoters/ directors of the company were available at these addresses.

Thereafter, SEBI had also issued letter dated May 28, 2021 (**Annexure 6**) to 15 directors of the company (Noticee No. 2 to 16) seeking information from them regarding issuance of RCPS by GM2ML. However, reply was received from 7 directors (Noticee No. 2 (Chhotelal Shukla), 3 (Shivanand Mishra), 4 (Deena Nath Maurya), 11 (Ram Vishal Prajapati), 13 (Surendra Singh), 14 (Ram Kishor Prajapati), 15 (Rajesh Singh Yadav)) however, none of them have provided any relevant information in the instant matter (**Replies received from these 7 directors are placed at Annexure 7**)

- a) Reminder letter dated June 16, 2023 (**Annexure 8**) was also sent to 5 directors (Noticee No. 12, 10, 7, 8, 17) as the earlier letter sent have neither returned back nor any reply was received from them.
- b) Letter dated September 14, 2023 (**Annexure 9**) was once again sent to the company and its directors wherein a timeline of 14 days was provided to ensure complete compliance with the SEBI Circular CIR/CFD/DIL3/18/2015 dated December 31, 2015, failing which SEBI shall proceed based on the available records and documents for taking appropriate action.
10. The following 6 directors namely, Shivanand Mishra, Chotelal Shukla, Gyanendra Kumar Singh, Deena Nath Maurya, Munshi Lal Tewari and Rajesh Singh Yadav have replied to letter dated September 14, 2023. Their replies are summarized below:
- a) Shivanand Mishra: He was employed in Vamsi Chemicals Limited as Commercial Officer. He is unaware about the activities of GM2MLL and has never signed any financial statement nor attended any public meeting to promote the investment. All the companies were operated administratively and financially by Dr. Pithi Pal Singh Sethi and several employees were





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made dummy director without their consent and fake signature of him was used.

- b) Chotelal Shukla: He was employed in Jaig Polymers Limited Company which was sold to Dr. P.P.S.Sethi on Nov 01, 1996. He has appeared before Shri R.K.Agarwal on September 01, 1996 at SEBI, Mumbai and informed him about the matter. Without his consent and awareness he was made director of the company in more than 26 companies.
- c) Gyanendra Kumar Singh: He was employed in Vamsi Chemicals Limited as an Assistant in Accounts department and do not possess an information in the said matter. He was forcibly made director in 14-15 companies including Geoshine Mines 2 Metals Limited. After a lot of struggle he was removed from the directorship in September 2010. Dr. Priti Pal Singh Sethi is the owner of the company and has all the documents and information in the said matter.
- d) Deena Nath Maurya: He was an employee in Vamsi Chemicals Limited and is unaware about the company M/s Geoshine Mines 2 Metal Limited. Documents which were collected from the staff for PF and ESI, were used wrongly and they were made directors without their consent. He has never attended any board meeting nor he has signed on any documents. When his MCX account was closed in 2014 by SEBI, he got to know he was director of Vamsi Chemicals Limited, regarding which he informed the factory owner Mr. Prithvi Pal Singh Sethi, who told him to be quiet else he would be in trouble. He along with some of his colleagues have filed Police complaint bearing No. 0730 dated 24/08/2017. In 2018, he has also given his statement in front of Smt. Madhavi Puri Buch at SEBI,HO and has also sent letters to EOW,SFIO and ROC Delhi.
- e) Rajesh Singh Yadav: He was working as sales agent in the company and during joining his main documents were kept by the company which were misused. Digital signature was also taken from him by the company. Later, he got to know that he was made directors in 8 companies without his awareness. He has mentioned that he has been a victim in the fraud done by the company and SEBI may contact Mr. Prithvi Lal Sethi, Chairman, MD of the company for any information. Address of Mr. Prithvi Lal Sethi is also provided in the letter.



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- f) Munshilal Tewari: He was employed in Vamshi Chemicals Ltd from 2003 to 2014 as a Purchase executive, whose owner is Mr. Prithvi Pal Singh Sethi. He does not have any information about the company GM2ML or its share and he has never signed any cheque. He was not aware when he was made director of the company.

V. Violation of regulatory provisions:

11. Based on the complaints received till now, it is noted that GM2ML has issued 188 RCPS to 103 investors during FY 2012-13. Thus, it is alleged that GM2ML was involved in mobilizing of funds from the public through issuance of redeemable cumulative preference shares to more than 49 investors during FY 2012-13 without ensueing the public issue norms.
12. Thereafter, SEBI issued letter dated September 14, 2023 to the company and all the Noticees to ensure complete compliance with the SEBI Circular CIR/CFD/DIL3/18/2015 dated December 31, 2015, wherein a timeline of 14 days was provided, failing which SEBI shall proceed based on the available records and documents for taking appropriate action. Subsequently, reply was received from 6 directors of the company, wherein they have not provided any relevant information. However, it appears that the company and its directors have not complied with the provisions of the aforesaid circular and have failed to refund the money to the investors.
13. Directors of GM2ML who were present during FY 2012-13 that is, Shri Chhotelal Shukla (Noticee 2), Shri Shivanand Mishra(Noticee 3) and Shri Deena Nath Maurya (Noticee 4) were prima facie, engaged in fund mobilizing activity from the public, through the offer and allotment of RCPS.

Since the offer and allotment of RCPS had taken place prior to April 01, 2014, the provisions of the Companies Act, 1956 were applicable to such offer and allotment of RCPS. GM2ML and its aforesaid 3 directors namely, Shri Chhotelal Shukla, Shri Shivanand Mishra and Shri Deena Nath Maurya are alleged to have contravened the provisions Section 56(1), 56(3), 60 r/w 2(36), 64(1), 67(3),73 of the Companies Act, 1956.



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14. Further, the Noticees 5 to 17 i.e. the 13 directors of GM2ML who were appointed after FY 2012-13, have failed to refund money to the investors and are alleged to have contravened the provisions of Section 73 of Companies Act, 1956.
15. Further, the company has not complied with the provisions of the circular SEBI Circular CIR/CFD/DIL3/18/215 dated December 31, 2015 and has failed to refund the money to the investors.
16. From the above paragraphs it is observed that the provisions of Section 56(1), 56(3), 60 r/w 2(36), 64(1), 67(3), 73 of Companies Act, 1956 have been alleged to have been violated by GM2ML and directors i.e. Noticees Nos. 1 to 4. Further, Noticees 5 to 17 are alleged to have violated the provisions of Section 73 of the Companies Act, 1956. These shall be read alongwith the corresponding provisions 26, 33(1), 2(70), 25(1), 23(1), 40(1)(2)(3) r/w Section 465 of the Companies Act, 2013. The said provisions which are violated by the Noticees are enumerated hereunder:

2. DEFINITIONS

(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 ;

56. MATTERS TO BE STATED AND REPORTS TO BE SET OUT IN PROSPECTUS

(1) Every prospectus issued –

(a) by or on behalf of a company, or

(b) by or on behalf of any person who is or has been engaged or interested in the formation of a company, shall state the matters specified in Part I of Schedule II and set out the reports specified in Part II of that Schedule ; and the said Parts I and II shall have effect subject to the provisions contained in Part III of that Schedule.

(3) No one shall issue any form of application for shares in or debentures of a company, unless the form is accompanied ¹[by a memorandum containing such salient features of a prospectus as may be prescribed] which complies with the requirements of this section :

²[**Provided** that a copy of the prospectus shall, on a request being made by any person before the closing of the subscription list, be furnished to him :]

Provided ²[**further**] that this sub-section shall not apply if it is shown that the form of application was issued either -

(a) in connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures ; or

(b) in relation to shares or debentures which were not offered to the public.



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If any person acts in contravention of the provisions of this sub-section, he shall be punishable with fine which may extend to ¹[fifty] thousand rupees.

60. REGISTRATION OF PROSPECTUS

(1) No prospectus shall be issued by or on behalf of a company or in relation to an intended company unless, on or before the date of its publication, there has been delivered to the Registrar for registration a copy thereof signed by every person who is named therein as a director or proposed director of the company or by his agent authorised in writing, and having endorsed thereon or attached thereto-

(a) any consent to the issue of the prospectus required by section 58 from any person as an expert ; and

(b) in the case of a prospectus issued generally, also -

(i) a copy of every contract required by clause 16 of Schedule II to be specified in the prospectus, or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof ; and

(ii) where the persons making any report required by Part II of that Schedule have made therein, or have, without giving the reasons, indicated therein, any such adjustments as are mentioned in clause 32 of that Schedule, a written statement signed by those persons setting out the adjustments and giving the reasons therefor.

(2) Every prospectus to which sub-section (1) applies shall, on the face of it, -

(a) state that a copy has been delivered for registration as required by this section ; and

(b) specify any documents required by this section to be endorsed on or attached to the copy so delivered, or refer to statements included in the prospectus which specify those documents.

(3) The Registrar shall not register a prospectus unless the requirements of sections 55, 56, 57 and 58 and subsections (1) and (2) of this section have been complied with and the prospectus is accompanied by the consent in writing of the person, if any, named therein as the auditor, legal adviser, attorney, solicitor, banker or broker of the company or intended company, to act in that capacity.

(4) No prospectus shall be issued more than ninety days after the date on which a copy thereof is delivered for

registration ; and if a prospectus is so issued, it shall be deemed to be a prospectus a copy of which has not been delivered under this section to the Registrar.

(5) If a prospectus is issued without a copy thereof being delivered under this section to the Registrar or without the copy so delivered having endorsed thereon or attached thereto the required consent or documents, the company, and every person who is knowingly a party to the issue of the prospectus, shall be punishable with fine which may extend to 1[fifty] thousand rupees. sign the prospectus depending on the circumstances of each case [Circular No. 5(59)-CLVI/ 65, dated 1st December, 1965].

1. Substituted for "five" by the Companies (Amendment) Act, 2000 w.e.f. 13-12-2000.

64. DOCUMENT CONTAINING OFFER OF SHARES OR DEBENTURES FOR SALE TO BE DEEMED PROSPECTUS

(1) Where a company allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public, any document by which the offer for sale to the public is made shall, for all purposes, be deemed to be a prospectus issued by the company ; and all enactments and rules of law as to the contents of prospectuses and as to liability in respect of statements in and omissions from prospectuses, or otherwise relating to prospectuses, shall apply with the modifications specified in sub-sections (3), (4) and (5), and have effect accordingly, as if the shares or debentures had been offered to the public for subscription





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and as if persons accepting the offer in respect of any shares or debentures were subscribers for those shares or debentures, but without prejudice to the liability, if any, of the persons by whom the offer is made in respect of misstatements contained in the document or otherwise in respect thereof.

67. CONSTRUCTION OF REFERENCES TO OFFERING SHARES OR DEBENTURES TO THE PUBLIC, ETC

(3) No offer or invitation shall be treated as made to the public by virtue of sub-section (1) or sub-section (2), as the case may be, if the offer or invitation can properly be regarded, in all the circumstances -

(a) as 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

(b) otherwise as being a domestic concern of the persons making and receiving the offer or invitation :

1[Provided that nothing contained in this sub-section shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more.

Provided further that nothing contained in the first proviso shall apply to the non-banking financial companies or public financial institutions specified in section 4A of the Companies Act, 1956 (1 of 1956).

73. ALLOTMENT OF SHARES AND DEBENTURES TO BE DEALT IN ON STOCK EXCHANGE

1[(1) Every company intending to offer shares or debentures to the public for subscription by the issue of a prospectus shall, before such issue, make an application to one or more recognised stock exchanges for permission for the shares or debentures intending to be so offered to be dealt with in the stock exchange or each such stock exchange.]

2[(1A)] Where a prospectus, whether issued generally or not, states that an 3[application under sub-section (1) has been] made for permission for the shares or debentures offered thereby to be dealt in one or more recognised stock exchanges, such prospectus shall state the name of the stock exchange or, as the case may be, each such stock exchange, and any allotment made on an application in pursuance of such prospectus shall, whenever made, be void,

4[***] if the permission has not been granted by the stock exchange or each such stock exchange, as the case may be, before the expiry of ten weeks from the date of the closing of the subscription lists :

Provided that where an appeal against the decision of any recognised stock exchange refusing permission for the shares or debentures to be dealt in on that stock exchange has been preferred under section 22 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), such allotment shall not be void until the dismissal of the appeal. (2)Where the permission has not been applied 5[under sub-section (1)], or, such permission having been applied for, has not been granted as aforesaid, the company shall forthwith repay without interest all moneys received from applicants in pursuance of the prospectus, and, if any such money is not repaid within eight days after the company becomes liable to repay it, 1[the company and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, 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, as may be prescribed, having regard to the length of the period of delay in making the repayment of such money.]

[Proviso omitted by the Companies (Amendment) Act, 1988 with effect from 15-6-1988.]

(2A) Where permission has been granted by the recognised stock exchange or stock exchanges for dealing in any shares or debentures in such stock exchange or each such stock exchange and the





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moneys received from applicants for shares or debentures are in excess of the aggregate of the application moneys relating to the shares or debentures in respect of which allotments have been made, the company shall repay the moneys to the extent of such excess forthwith without interest and if such money is not repaid within eight days, from the day the company becomes liable to pay it, 1 [the company and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, 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, as may be prescribed, having regard to the length of the period of delay in making the repayment of such money.]

[Proviso omitted by the Companies (Amendment) Act, 1988 with effect from 15-6-1988.]

(2B) If default is made in complying with the provisions of sub-section (2A), the company and every officer of the company who is in default shall be punishable with fine which may extend to 2 [fifty] thousand rupees, and where repayment is not made within six months from the expiry of the eighth day, also with imprisonment for a term which may extend to one year.

(3) All moneys received as aforesaid shall be kept in a separate bank account maintained with a Scheduled Bank until the permission has been granted, or where an appeal has been preferred against the refusal to grant such permission, until the disposal of the appeal, and the money standing in such separate account shall, where the permission has not been applied for as aforesaid or has not been granted, be repaid within the time and in the manner specified in subsection

(2) ; and if default is made in complying with this sub-section, the company, and every officer of the company who is in default, shall be punishable with fine which may extend to 1 [fifty] thousand rupees.

(3A) Moneys standing to the credit of the separate bank account referred to in sub-section (3) shall not be utilised for any purpose other than the following purposes, namely :

(a) adjustment against allotment of shares, where the shares have been permitted to be dealt in on the stock exchange or each stock exchange specified in the prospectus ; or

(b) repayment of moneys received from applicants in pursuance of the prospectus, where shares have not been permitted to be dealt in on the stock exchange or each stock exchange specified in the prospectus, as the case may be, or, where the company is for any other reason unable to make the allotment of share.

(4) Any condition purporting to require or bind any applicant for shares or debentures to waive compliance with any of the requirements of this section shall be void.

(5) For the purposes of this section, it shall be deemed that permission has not been granted if the application for permission, where made, has not been disposed of within the time specified in sub-section (1).

(6) This section shall have effect -

(a) in relation to any shares or debentures agreed to be taken by a person underwriting an offer thereof by a prospectus, as if he had applied therefor in pursuance of the prospectus ; and

(b) in relation to a prospectus offering shares for sale, with the following modifications, namely, -

(i) references to sale shall be substituted for references to allotment ;

(ii) the persons by whom the offer is made, and not the company, shall be liable under sub-section (2) to repay money received from applicants, and references to the company's liability under that sub-section shall be construed accordingly; and

(iii) for the reference in sub-section (3) to the company and every officer of the company who is in default, there shall be substituted a reference to any person by or through whom the offer is made and who is knowingly guilty of, or wilfully authorises or permits, the default. (7) No prospectus shall state that application has been made for permission for the shares or debentures offered thereby to be dealt in on any stock exchange, unless it is a recognised stock exchange.



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17. The above provisions of Companies Act, 1956 may be read with corresponding provisions of Companies Act, 2013 ie. Section 26, 33(1), 2(70), 25(1), 23(1), 40(1)(2)(3) r/w Repeal and Savings Section 465 of the Companies Act, 2013.
18. In view of the alleged violations of the provisions of the Companies Act, 1956 as brought out in the above paragraphs, Noticees are hereby called upon to show cause as to why suitable directions under sections 11, 11(4), 11A and 11B(1) of SEBI Act, 1992 including directions for restrain / debarment and refund of monies collected from the investors should not be issued against the noticees for the alleged violations.
19. This show cause notice is issued without prejudice to the rights of SEBI to issue a supplementary show cause notice and to initiate any other proceedings/actions for the aforesaid violations in terms of the SEBI Act and rules or regulations made thereunder.
20. The written submissions of the Noticees, if any, should reach the undersigned, at the address given below, as well as through email at gyanendran@sebi.gov.in and haria@sebi.gov.in (in MS-Word format), within 21 days from the date of receipt of this notice, failing which it shall be construed that the Noticees have no reply to submit and the matter shall be proceeded on the basis of the material available on record.

Securities and Exchange Board of India
Northern Regional Office,
8th floor, Plate B, Tower 1,
NBCC Complex
East Kidwai Nagar, New Delhi - 110023.

The Noticees may also indicate in their reply, whether they are desirous of a personal hearing before the Quasi-Judicial Authority, SEBI, in the matter.

21. The Noticees are further advised to keep SEBI informed about the change in the correspondence address, if any, and provide updated email-id and phone numbers, till the proceedings are complete.
22. The Noticees are advised to submit photocopy of its Income Tax Permanent Account Number card (PAN Card), bank account details, demat account details, mutual fund investment details, etc along with details of other movable and immovable assets for our records.





Continuation Sheet

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23. Documents relied upon in the notice have been annexed as per the list of enclosures.

24. The Noticees may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If it wishes to opt for the settlement process, it may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned. Further, it may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.

Gyanendra Niraj

Enclosures

Sr. No.	Documents	Annexure
1	The details of complaints & list of the certificate holders	1
2	Change of Name of the company	2
3	NCLT Order dated August 24, 2022 and NCLT Order dated November 21, 2023	3
4	Form 20B and Form 23 AC	4
5	SEBI letter dated December 25, 2020	5
6	SEBI letter dated May 28, 2021	6
7	Reply received from Noticee No. 2,3,4,11,13,14,15	7
8	SEBI letter dated June 16, 2023	8
9	SEBI letter dated September 14, 2023	9