

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER IN RESPECT OF THE REPRESENTATION MADE BY MAURIA UDYOG LTD., NAVNEET KUMAR SUREKA AND DEEPA SUREKA IN PURSUANCE OF THE ORDER DATED AUGUST 22, 2025, PASSED BY THE HON'BLE SECURITIES APPELLATE TRIBUNAL IN THE MATTER OF MAURIA UDYOG LTD., 7NR RETAIL LTD., DARJEELING ROPEWAY COMPANY LTD., GBL INDUSTRIES LTD. AND VISHAL FABRICS LTD.

IN RESPECT OF

SL. NO.	APPLICANT	PAN
1.	MAURIA UDYOG LIMITED	AABCM9522F
2.	NAVNEET KUMAR SUREKA	ANWPS5531K
3.	DEEPA SUREKA	ANTPS8310F

Background

1. SEBI passed an Interim Order cum Show Cause Notice dated June 19, 2023 ("**Interim Order**") against 226 Noticees (including the Applicants herein, viz., Navneet Kumar Sureka, Deepa Sureka and Mauria Udyog Limited ("**MUL**"), who were identified as Noticees 8, 9 and 10, respectively, in the *Interim Order*) for their alleged role in the manipulation of the price of 5 scrips, viz. Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd. Vide the *Interim Order*, the following directions were issued *qua* the Applicants:
 - (a) Restraint from buying, selling or dealing in the securities market or associating themselves with the securities market, either directly or indirectly, in any manner whatsoever until further orders;
 - (b) Impounding of unlawful gains to the tune of ₹ 33,48,04,829/-, jointly and severally, from Noticees 8 and 9, along with certain other Noticees;

- (c) Impounding of unlawful gains to the tune of ₹ 26,19,68,781/-, jointly and severally, from Noticees 8, 9 and 10, along with certain other Noticees;
 - (d) Credit/Deposit the aforesaid amount of wrongful gains within 15 days from the *Interim Order* into an interest bearing Escrow Account or Savings Account created specifically for the purpose in a Nationalized Bank, with a lien marked in favour of SEBI.
 - (e) The banks were directed that no debits were to be made from the bank accounts held jointly or severally by the Noticees who made wrongful gains, except for the purpose of transfer of funds to the Escrow Account or Savings Account as directed above. However, debits in the bank accounts were to be allowed in the event the amounts available in the said accounts were in excess of the amount directed to be impounded.
 - (f) The Depositories were directed that no debits were to be made from the demat accounts held by the Noticees, without the permission of SEBI.
2. Earlier, MUL, vide letters dated August 18, 2023 and September 20, 2023, filed an application before the then WTM, SEBI (in pursuance of an order of the Hon'ble Securities Appellate Tribunal ("**SAT**") dated August 18, 2023). Vide the said application, MUL had, *inter alia*, prayed for modification of the directions in the *Interim Order*, by way of unfreezing its overdraft accounts held with ICICI Bank. The said application was allowed by the then WTM vide order dated October 12, 2023 by directing that the said overdraft accounts of MUL be defrozen, subject to the condition that the portion of the overdraft facility in those overdraft accounts, which remained unutilized as on the date of that Order, would not be available for utilization to MUL.
3. Subsequently, Noticees 8, 9 and 10 filed another appeal (Appeal No. 396 of 2025) against the *Interim Order* before the Hon'ble SAT praying, *inter alia*, that the WTM, SEBI be directed to complete the proceedings within period of two months and that SEBI be directed to permit the appellants to, *inter alia*, operate their Exchange Earners' Foreign Currency ("EEFC") accounts. In this regard,

the Hon'ble SAT vide its order dated August 22, 2025, *inter alia*, directed as under:

"... if the appellants make an application before the WTM, the WTM, SEBI shall consider and dispose of the same within three weeks from the date of filing of such application"

4. Accordingly, the Applicants filed an application on August 26, 2025 praying for unfreezing of their accounts and their submissions in this regard are summarised as under:
 - (a) Noticees 8 and 9 are promoters and Executive Directors of MUL holding approx. 16.63% and 15.47% of MUL's shares;
 - (b) SEBI vide its *Interim Order* had imposed several directions *qua* the Applicants, viz., complete restraint from buying, selling or dealing in securities; joint and several impounding of alleged wrongful gains of ₹ 33,48,04,829/- against Noticee No. 8 and 9, and of ₹ 26,19,68,781/- by all Applicants, i.e., Noticees 8, 9 and 10 along with entities not known to the Applicants; mandatory deposit of these impounded amounts in an escrow account within 15 days; a blanket freeze on all bank accounts, except for depositing the impounded amounts, with a direction to release bank accounts only upon deposit of such monies in the escrow account.
 - (c) The above-mentioned directions, though interim in nature, have continued unabated for more than two years without any final adjudication in the matter and in effect, the Applicants are subjected to a perpetual penalty, crippling their ability to conduct business, service financial obligations, maintain and sustain over 2,000 employees and several business vendors. Further, MUL has over 12,000 public shareholders whose interests are at stake since the business operations of MUL are severely impacted due to the freeze of all its bank accounts;
 - (d) The most acute hardship is caused to MUL due to the freezing of its EEFC Account with ICICI Bank, which currently holds USD 225,933.90/-. The said EEFC account is critical for MUL to meet import / export obligations towards

suppliers, agents and freight forwarders. Unless urgently released, MUL's ability to service foreign exchange obligations will collapse, leading to loss of overseas contracts, erosion of credibility and irreversible destruction of shareholder value.

- (e) MUL currently has two overdraft accounts with ICICI Bank against a cumulative fixed deposit of ₹ 12,14,46,779/- due to which MUL is able to carry on its business till date. MUL has ten bank accounts, including the EEFC Account, with different banks, having a cumulative balance of approx. ₹ 2,00,33,000/-. MUL also has an employees' gratuity savings account with ICICI Bank having a balance of ₹ 13,74,876/- from which gratuity has to be paid to the employees of MUL on time to time basis. All these accounts are frozen / inoperative pursuant to the directions in the *Interim Order*.
- (f) Upon perusal of the balances in the abovementioned bank accounts, it is clear that the Applicants do not have sufficient funds to comply with the directions in the *Interim Order* and thus, have not been able to deposit any amount with SEBI to comply with the *Interim Order*;
- (g) Since passing of the *Interim Order*, the Applicants have made several representations before SEBI praying for release of certain bank accounts, including the EEFC Account, and MUL's request vide email dated February 27, 2024 for release of the EEFC Account was rejected vide email dated April 3, 2024 which was non-speaking, arbitrary and issued without affording any opportunity of hearing.
- (h) MUL has entered into binding settlement arrangements with lenders, including Prudent ARC Ltd. and Aditya Birla Capital Ltd. and the inability to service these obligations will result in cancellation of restructuring benefits and push MUL into insolvency. As per the payment schedule, an amount of ₹ 15 Crore is due on September 30, 2025 to Prudent ARC Ltd. and a further sum of ₹ 3 Crore is due on October 1, 2025 to Aditya Birla Finance Ltd. This imminent payment obligation thereby necessitates the urgency for release of the bank accounts of MUL.
- (i) Noticees 8 and 9 are also suffering grave prejudice due to the freeze on their personal bank and demat accounts. As on August 20, 2025, the

cumulative value of securities in the demat accounts of Noticees 8 and 9 is approx. ₹ 72,29,97,772/-.

- (j) As a result of the *Interim Order*, the bank account (Account No.: 630301030332) of Mr. Deepanshu Sureka, son of Noticees 8 and 9, held with ICICI Bank has also been frozen since the PAN of Noticee no. 8 is linked to the Demat Account of his son.
- (k) In addition, a Locker No. 0542R0400401 maintained with ICICI Bank has also been frozen owing to the freeze imposed on the savings accounts of Noticees 8 and 9. Mr. Deepanshu Sureka, the son of Noticees 8 and 9 is getting married in November 2025 and thus, Noticees 8 and 9 are in dire need to operate the above-mentioned locker;
- (l) The Noticee 8 is also unable to pay the EMIs towards the home loans availed by him from Aditya Birla Housing Finance Limited (which are being serviced regularly by Noticee 8) since his savings accounts are frozen;
- (m) The promoters' frozen demat accounts alone have a balance of more than ₹ 70 Crore which exceeds the aggregate amount of approx. ₹ 60 Crore directed to be impounded jointly and severally by the Applicants with other non-related entities;
- (n) Thus, in lieu of unfreezing all bank accounts and locker of the Applicants, the promoters' demat accounts may be continued to be frozen by SEBI, and Noticees 8 and 9 hereby undertake not to alienate, dispose of or encumber in any manner whatsoever the demat accounts until confirmatory order is passed in the matter. This will ensure that the directions under SEBI order are satisfied and the interest of the shareholders of the Company are not hampered in any manner. Further, by permitting access to the bank accounts for essential business operations, employee salaries, gratuity payments, statutory dues and lender payments, MUL would be enabled to continue its business activities.
- (o) The balance of convenience is in favour of the Applicants and the release of Applicants' bank accounts, particularly the bank accounts of Noticee 10 (mainly the EEFC Account), will aid in the survival of MUL's business and protect the interest of employees, vendors, lenders and the 12,000 public

shareholders of MUL. On the other hand, no prejudice would be caused to SEBI if such limited relief is granted, especially as the Applicants remain bound by the *Interim Order* in all other respects.

(p) In light of the above, it is requested to unfreeze the bank accounts of Noticee 10 (including the EEFC Account, the employees gratuity Savings Account and the Fixed Deposits against which the overdraft accounts are operational), bank accounts of Noticees 8 and 9 (along with bank locker linked to such accounts) and bank accounts of Mr. Deepanshu Sureka, by considering the demat holdings of Noticees 8 and 9 as adequate security against the alleged disgorgement amount. The Applicants may also be provided an opportunity of personal hearing before passing any order with respect to the present Application.

5. In view of the aforementioned submissions, I note that the Applicants have essentially prayed for unfreezing of their bank accounts and lockers, while the demat accounts of two Applicants, i.e., Noticees 8 and 9 (in which the value of securities, as claimed by the Applicants, exceed the amount sought to be impounded vide SEBI's *Interim Order*) remain frozen pursuant to the *Interim Order*. Accordingly, I proceed to consider the application in the subsequent paragraphs.

Consideration

6. I note at the outset that the quasi-judicial proceedings for adjudication of the allegations levelled against the 226 Noticees in the *Interim Order* dated June 19, 2023 are currently pending and the same would culminate in the passing of a final order. In this regard, it is pertinent to note that the Hon'ble Bombay High Court vide order dated August 14, 2025 in the Criminal Writ Petition Nos. 1344, 1489 and 1561 of 2021 has, *inter alia*, directed that the final order in the matter be passed on or before July 1, 2026.
7. Accordingly, the limited remit of the present proceedings, in terms of the order of the Hon'ble SAT dated August 22, 2025, is to consider the request of the

Applicants herein for unfreezing of their accounts attached pursuant to the *Interim Order*. From the application filed by the Applicants, I note that the following accounts are requested to be unfrozen:

- (a) Bank accounts of Noticee 10 (including the EEFC Account, the employees gratuity Savings Account and the Fixed Deposits against which the overdraft accounts are operational);
- (b) Bank accounts of Noticees 8 and 9 (along with bank locker linked to such accounts); and
- (c) Bank accounts of Mr. Deepanshu Sureka, son of Noticees 8 and 9.

8. In this regard, I note that, *inter alia*, the following directions were issued *qua* the Applicants (Noticees 8, 9 and 10) in the *Interim Order*:

- (a) Joint and several impounding of alleged wrongful gains of ₹ 33,48,04,829/- from Noticee No. 8 and 9 (along with certain other entities *prima facie* found to be part of the alleged fraudulent scheme);
- (b) Joint and several impounding of alleged wrongful gains of ₹ 26,19,68,781/- from Noticees 8, 9 and 10 (along with certain other entities *prima facie* found to be part of the alleged fraudulent scheme);
- (c) Credit/ deposit the impounded amounts in an Escrow Account or Savings Account (with a lien marked in favour of SEBI) within 15 days of the *Interim Order*;
- (d) No debits shall be made without permission of SEBI out of the bank accounts held jointly or severally by the entities, except for depositing the impounded amounts in the Escrow Account or Savings Account. However, debits in the bank accounts were to be allowed in the event the amounts available in the said accounts were in excess of the amount directed to be impounded. Banks were also directed to defreeze the accounts held by them once the impounding amount was deposited by the entities;

- (e) The Depositories were directed that no debits were to be made from the demat accounts held by the Noticees, without the permission of SEBI. (emphasis supplied)
9. In respect of the aforementioned directions in the *Interim Order*, I note that the Applicants vide their instant application have themselves admitted that they have not deposited any amount with SEBI to comply with the *Interim Order*.
10. The Applicants have also submitted that since the value of securities in the demat accounts of Noticees 8 and 9 is more than ₹ 70 Crore which would be adequate security for the aggregate amount of approx. ₹ 60 Crore directed to be impounded from the Applicants (jointly and severally with certain other Noticees) as per the *Interim Order*, the bank accounts and lockers of the Applicants be unfrozen while maintaining the freeze on the said demat accounts. The Applicants have also contended that MUL is under acute hardship and unless the accounts are unfrozen, the Applicants might default on their various payment obligations and the interests of the shareholders and employees of MUL would be severely impacted.
11. I note that the *Interim Order* unambiguously requires that the amounts directed to be impounded are to be deposited in an Escrow Account/ Savings Account, with a lien marked in favour of SEBI. The *Interim Order* is also very clear on the aspect that the frozen bank accounts could be unfrozen and debits be allowed only in the event that the amounts available in the said Escrow Account or Savings Account were in excess of the amount directed to be impounded. Thus, when the *Interim Order* itself provides for a specific condition to be fulfilled for unfreezing the bank accounts, the Applicants were free to deposit funds equivalent to the amount directed to be impounded from them vide the *Interim Order*, either by liquidating their demat accounts (with permission of SEBI) or bank accounts or from any other source, and upon compliance with this condition of the *Interim Order*, the frozen bank accounts/ demat accounts of the Applicants would have been unfrozen.

12. The instant request of the Applicants for unfreezing their accounts based merely on the value of securities in their demat accounts as estimated/ claimed by them or the purported hardship to the Applicants, in absence of any compliance whatsoever with the direction of the *Interim Order* of depositing the impounded gains in an Escrow Account/ Savings Account cannot be accepted. This is because the direction issued vide the *Interim Order* was categorical as to the deposit of funds in an Escrow Account/ Savings Account and the estimated value of securities lying in a demat account cannot be equated with actual funds since the value of securities in a demat account is contingent upon the market dynamics.
13. With respect to the prayer of the Applicants to release the various types of their bank accounts/lockers (including the EEFC Account), I find that the freeze on the said accounts issued vide the *Interim Order* was intended to ensure compliance of the directions issued against the Applicants. It has to be emphasized here that the Applicants herein have been *prima facie* found to be part of a fraudulent scheme of manipulation of price of the scrip of MUL which has ultimately resulted in significant unlawful gains to the Applicants at the expense of other investors. In this backdrop, it is essential to ensure that the Applicants deposit the calculated unlawful gains in an escrow account / savings account, subject to the final order. The only submission of the Applicants which appears justifiable at this stage is with regard to the unfreezing of the *employees' gratuity savings account*, which is meant to be used exclusively for meeting the employer's liability for paying gratuity to its employees, and not for any other purpose.
14. As regards Mr. Deepanshu Sureka (son of Noticees 8 and 9), it is noted that he is not a part of the proceedings in pursuance of the *Interim Order* and therefore, any of his bank accounts, held singly and exclusively by him, was not intended to be frozen pursuant to the *Interim Order* and can be unfrozen, if frozen inadvertently by the banks.

Directions

15. In consideration of the foregoing, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B read with Section 19 of the SEBI Act, 1992, I direct as under:

- a. The employees' gratuity savings account (Account No. 8301047398) maintained with ICICI Bank shall be unfrozen by ICICI Bank forthwith, subject to the stipulation that the Applicants shall not use the funds lying therein for any purpose other than for which the said account was opened.
- b. All other bank accounts of the Applicants shall be unfrozen subject to their depositing the unlawful gains (calculated in the *Interim Order*), in an Escrow Account / Savings Account with a lien marked in favour of SEBI.
- c. The Depositories are directed to allow debit in the demat accounts of Noticees 8, 9 and 10 for the purpose of depositing funds in the Escrow Account / Savings Account in terms of the directions issued vide the *Interim Order*. The Banks holding the bank accounts linked to the trading accounts of the Noticees 8, 9 and 10 are directed to allow debits in such accounts for the purpose of transfer of funds to the aforesaid Escrow Account / Savings Account.
- d. The bank accounts, if any, held singly and exclusively by Mr. Deepanshu Sureka and frozen by the Banks pursuant to the *Interim Order* dated June 19, 2023 shall be unfrozen forthwith. It is clarified that any accounts held jointly by Mr. Deepanshu Sureka with either of the Applicants shall continue to remain frozen.
- e. All other directions of the *Interim Order* shall remain in force.

16. For the sake of clarity, it is highlighted that this Order shall not be taken to have expressed any finding on the merits of the case. The Order is being issued only for the purpose of disposing of the application filed by the Applicants in terms of the directions of the Hon'ble SAT.
17. This Order shall come into force with immediate effect. A copy of this Order shall be forwarded to the Applicants, the Banks and the Depositories for information and necessary compliance, if any.

PLACE: MUMBAI

DATE: SEPTEMBER 11, 2025

**AMARJEET SINGH
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**