



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

SPEED POST WITH ACK DUE

DEPUTY GENERAL MANAGER
NORTHERN REGIONAL OFFICE

SEBI/NRO/NRO/NRO/OW/P/2024/18997/1

06 June, 2024

Noticee No.	Name of Noticee	Address
1	Milani Techno Engineering Limited	01 Plot No 90 Mayur Colony Jhalwa, Post Jhalwa, Prayagraj Allahabad UP 211012. ✓ 4th Floor Shri Shubh Apartments, Prafull Kanan, VIP Park Kestopur, Kolkata, WB-700101
2	Prithi Paul Singh Sethi (DIN: 00076689)	509/179 Bandi House, GF Flat No-101, Dr. B.N Road, Lucknow, 226007, Uttar Pradesh, India
3	Rajesh Kumar Sharma (DIN: 01731816)	48, Moh Mohtashim Khan, Pilibhat , Pilibhat, 271001, Uttar Pradesh, India
4	Sanjay Kumar Upadhyay (DIN: 02455875)	75A, Park Street Kolkata, 700016, West Bengal, India
5	Shiva Nand Mishra (DIN: 02706697)	532/185, Ka Mehendi Tola, Aliganj, Lucknow, 226022, Uttar Pradesh, India
6	Vishwa Bandhu Vashistha (DIN: 02707338)	Choona Danda, Sadabad Gate, Hathras, 204101 , Uttar Pradesh , India
7	Deena Nath Maurya (DIN: 02824654)	Khamariya , S R N, Bhadohi, 221306, Uttar Pradesh, India
8	Arvind Tiwari (DIN: 01629407)	A-51 New Agra, Agra, 282005, Uttar Pradesh, India

SCN in the matter of Milani Techno Engineering Limited

Page 1 of 18

उत्तरी प्रादेशिक कार्यालय : प्लेट-बी, आठवीं मंजिल, ऑफिस टॉवर-1, एन बी सी सी कॉम्प्लेक्स, पूर्व किदवाई 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



Continuation Sheet

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

9	Pashupati Nath Dixit (DIN: 01664553)	154, Asaf Janpilibhat, Pilibhat, 262001, Uttar Pradesh, India
10	Ramendra Prasad Sharma (DIN: 02518373)	48, Mohitisim Khan, Pilibhat, Pilibhat, 262001, Uttar Pradesh, India
11	Mukesh Kumar Khare (DIN: 06400147)	House No. 338/26, Gular Nakabanda, 210001, Uttar Pradesh, India
12	Maiku Lal (DIN: 07072169)	Hardoi Fatehpur, 212655, Uttar Pradesh, India
13	Ram Vishal Telars (DIN: 07072186)	107 Bilindpur Fatehpurfatehpur, 212655, Uttar Pradesh, India
14	Surendra Singh (DIN: 07524382)	Jhaupurradha Nagar, Fatehpur, 212601, Uttar Pradesh, India
15	Ram Kishor Prajapati (DIN: 07524405)	Dariyapur, Akilabad, Fatehpur, 212601, Uttar Pradesh, India
16	Rajesh Singh Yadav (DIN: 07524409)	S/O Matru Singh, Dundradundara, Fatehpur, Churiyani Fatehpur, Fatehpur, 212601, Uttar Pradesh, India
17	Sita Ram Prajapati (DIN: 07526339)	Shah, Fatehpur, Fatehpur, 212601, Uttar Pradesh, India
18	Bharat Subhash Prasad Maurya (DIN: 08101500)	d/59 Panchsheel Chawl, Akurli Road, Kranti Nagar new Budh Vihar, kandivali East Mumbai, 400101, Maharashtra, India
19	Chhotelal Shukla (DIN: 02706032)	129, Qamarauli, Sultanpur, 227817, Uttar Pradesh, India

Sub- Show Cause Notice under Section 11(1), 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

I. Background:

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") received complaint dated March 12, 2014 and May 28, 2013, **Annexure -1**, alleging that M/s Milani Techno Engineering Limited (hereinafter referred to as '**MTEL**'/ **Company**) is engaged in raising money from public through issuance of Redeemable Cumulative Preference Shares ("**RCPS**"). SEBI vide letter dated August 21, 2013, **Annexure-2**, sought information from MTEL, inter-alia, about its schemes, plans, annual accounts, annual returns, etc., MTEL vide letter dated September 03, 2013 submitted partial reply and stated that it would be submitting the remainder information shortly.
2. SEBI vide letters dated October 8, 2013, November 7, 2013 and December 11, 2013, collectively annexed as **Annexure-3**, advised MTEL to submit information detailed therein. In response to SEBI letter dated October 08, 2013, MTEL submitted information submitted by it vide letter dated September 03, 2013. SEBI vide letter dated April 29, 2014 and August 20, 2014, collectively annexed as **Annexure-4**, asked MTEL to submit information about its issuance of preference shares. However, no response was received from MTEL. SEBI vide letter dated July 21, 2014 sought information from directors of MTEL i.e. Sh. Mukesh Kumar Khare, Sh. Vishwa Bandhu Vasistha, Sh. Deena Nath Maurya and Sh. Prithi Pal Sethi. However, no response was submitted by such directors.
3. SEBI issued summons were to MTEL on November 10, 2014 for submitting the information to the Investigation Authority. SEBI issued summons dated December 15, 2014, to MTEL and Sh. Mukesh Kumar Khare, Sh. Vishwa Bandhu Vasistha, Sh. Deena Nath Maurya and Sh. Prithi Pal Sethi requiring them to appear before the investigating authority and submit information about issuance of preference shares. However, neither they appeared nor submitted any information.

**भारतीय प्रतिभूति
और विनिमय बोर्ड**
**Securities and Exchange
Board of India**

4. SEBI vide letter dated February 11, 2015 sought information about preference shares issued by MTEL from the complainants. In response thereto, one of the complainant – Ms. Rinku Das replied but could not provide required information.
5. In 2017, 2018 and 2019, SEBI received numerous complaints alleging issuance of preference shares by MTEL. In the meantime, considering the higher cap for private placement provided in the Companies Act, 2013, SEBI vide circular dated December 31, 2015 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.
6. SEBI vide letter dated March 12, 2020, sent to Jagdishpur, Uttar Pradesh and Prayagraj, Uttar Pradesh address of MTEL, asked MTEL to ensure complete compliance with SEBI circular dated December 31, 2015. However, letter dated March 12, 2020 returned undelivered. SEBI vide letter dated July 10, 2020, addressed to Sh. Rajesh Kumar Sharma, Sh. Surendra Singh, Sh. Rajesh Singh Yadav, asked directors of MTEL to comply with SEBI circular dated December 31, 2015. However, despite service of SEBI letter dated July 10, 2020 no information regarding compliance was received from directors of MTEL. SEBI also attempted to obtain information about issuance of preference shares by MTEL by sending following letters to persons who were directors of MTEL at different point of time: -

Table No.1

S.No.	Name of Noticee	Date of Letter	Reply received or not
1.	Sh. Vineet Kumar Dwivedi	June 15, 2021	Yes. On June 23, 2021
2.	Sh. Gyanendra Kumar Singh	June 15, 2021	Yes. On June 22, 2021
3.	Sh. Rajesh Kumar Sharma	September 15, 2022 and June 14, 2023	No

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

4.	Sh.Vishwa Bandhu Singh Vashistha	September 15, 2022	Yes. On September 28, 2022
5.	Sh.Prithi Paul Singh Sethi	September 15, 2022	No. Returned undelivered.
6.	Sh.Deena Nath Maurya	September 15, 2022	No
7.	Sh. Giriraj Vashistha	September 15, 2022	No. Returned undelivered
8.	Sh. Arvind Tiwari	September 15, 2022	No. Returned undelivered
9.	Sh. Mukesh Kumar Khare	September 15, 2022	No. Returned undelivered
10.	Sh. Surendra Singh	September 15, 2022	No. Returned undelivered
11.	Sh. Rajesh Singh Yadav	September 15, 2022	Yes. On October 11, 2022
12.	Sh. Shiva Nand Mishra	September 15, 2022	Yes. On September 26, 2022
13.	Sh. Sanjay Kumar Upadhyay	September 15, 2022	No. Returned undelivered
14.	Sh. Maiku Lal	June 14, 2023	Yes. On June 27, 2023
15.	Ram Vishal Telars	June 14, 2023	Yes. On July 04, 2023
16.	Sh. Sita Ram Prajapati	June 14, 2023	No. Returned undelivered.

None of abovementioned replies of the directors of MTEL provided relevant information regarding issuance of RCPS. Replies dated On June 22, 2021, June 23, 2021, September 26, 2022, September 28, 2022, October 11, 2022, June 27, 2023 and July 04, 2023 of directors of MTEL are annexed herewith as **Annexure 5, 6, 7, 8, 9, 10 and 11, respectively.**

7. SEBI vide letter September 15, 2023 again advised MTEL and its directors mentioned in Table 1 above to comply with SEBI circular dated December 31, 2015. However, no evidence of compliance of SEBI circular dated December 31, 2015 was received from MTEL and its directors. Subsequently, SEBI vide letter dated October 30, 2023 (sent to directors / additional directors viz. Pashupati Nath Dixit , Ramendra Prasad



भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

Sharma, Chhotelal Shukla , Ram Kishor Prajapati and Bharat Subhash Prasad Maurya) advised them to comply with SEBI Circular dated December 31, 2015, failing which SEBI shall proceed based on the available records and documents for taking appropriate action.

8. From examination of complaints received by SEBI, annexed herewith as **Annexure 12**, information received from Registrar of Companies, Kanpur, annexed herewith as **Annexure 13**, and from publicly accessible website of Ministry of Corporate Affairs, it is observed that: -

About MTEL:

- i. MTEL is an unlisted non-government public company with CIN U51109UP1984PLC006714 and registration number 006714. MTEL was incorporated on September 05, 1964 as Sheetal Agro Industries Private Limited and thereafter the name was changed to Milani Techno Engineering Limited on September 13, 2011.
- ii. As per MCA records, registered office address of MTEL is at 01 Plot No 90 Mayur Colony Jhalwa, Post Jhalwa, Prayagraj Allahabad UP 211012.
- iii. MTEL has raised Rs.4,12,20,000/- by issuing 14143 RCPS, bearing coupon rate of 12%, 14% and 15%, to 127 investors/persons.
- iv. As per the information provided by RoC, following are details of directors / Additional Directors of MTEL:-

Table No. 2:

Sr. No	Name	Designation	Date of appointment at current designation	Date of Ceasation
1	Prithi Paul Singh Sethi	Director	24.03.2007	25.09.2009

**भारतीय प्रतिभूति
और विनिमय बोर्ड**
**Securities and Exchange
Board of India**

	Prithi Paul Singh Sethi	Director	25.04.2011	29.03.2012
2	Rajesh Kumar Sharma	Additional Director	29.01.2015	09.03.2020
	Rajesh Kumar Sharma	Director	14.09.2010	24.03.2012
3	Sanjay Kumar Upadhyay	Director	10.10.2008	25.04.2011
4	Shiva Nand Mishra	Director	10.07.2009	03.04.2013
5	Vishwa Bandhu Vashistha	Additional Director	20.03.2012	12.02.2015
6	Deena Nath Maurya	Additional Director	24.03.2012	12.02.2015
7	Arvind Tiwari	Additional Director	29.01.2015	13.04.2016
8	Pashupati Nath Dixit	Additional Director	29.01.2015	18.07.2019
9	Ramendra Prasad Sharma	Additional Director	29.01.2015	09.09.2016
10	Mukesh Kumar Khare	Additional Director	03.04.2013	12.02.2015
	Mukesh Kumar Khare	Additional Director	09.09.2016	18.07.2019
11	Maiku Lal	Director	21.12.2020	
	Maiku Lal	Additional Director	26.02.2020	21.12.2020
12	Ram Vishal Telars	Director	21.12.2020	
	Ram Vishal Telars	Additional Director	26.02.2020	21.12.2020
13	Surendra Singh	Additional Director	17.08.2018	09.03.2020
14	Ram Kishor Prajapati	Additional Director	17.08.2018	18.07.2019
15	Rajesh Singh Yadav	Additional Director	17.08.2018	09.03.2020





Continuation Sheet

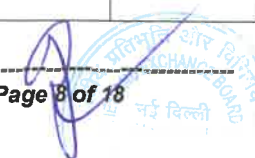
**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

16	Sita Ram Prajapati	Director	21.12.2020	
	Sita Ram Prajapati	Additional Director	26.02.2020	21.12.2020
17	Bharat Subhash Prasad Maurya	Additional Director	23.04.2018	31.08.2018
18	Chhotelal Shukla	Additional Director	25.08.2014	12.02.2015
19	Data Dayal Sinha	Director	05.09.1984	03.04.2007
20	Neerja Sinha	Director	30.09.2000	03.04.2007
21	Teshu Rastogi	Director	30.09.2000	03.04.2007
22	Girraj Vashishtha	Director	24.03.2007	10.10.2008
23	Gyanendra Kumar Singh	Director	25.09.2009	14.09.2010
24	Sanjay Sinha	Director	05.09.1984	03.04.2007
25	Vineet Kumar Dwivedi	Director	10.07.2009	25.09.2009

- v. From Form 20B (Form for filing annual return) and Form MGT-7 (Annual Return) filed with ROC, it is noted that:-

Table 3:

Form 20B / MGT-7 dated	Authorised Capital		Issued Capital		Subscribed Capital		Paid up Capital	
	No. of equity shares	No. of Preference shares	No. of equity shares	No. of Preference shares	No. of equity shares	No. of Preference shares	No. of equity shares	No. of Preference shares
30.09.2012	35000000	0	33793400	0	33793400	0	33793400	0
30.09.2013	35000000	0	34952300	0	34952300	0	34952300	0



**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

30.09.2015	36200000	0	36100900	0	36100900	0	36100900	0
30.09.2016	36200000	0	36100900	0	36100900	0	36100900	0
30.09.2017	36200000	0	36100900	0	36100900	0	36100900	0
30.09.2018	36200000	0	36100900	0	36100900	0	36100900	0
30.09.2019	36200000	0	36100900	0	36100900	0	36100900	0
30.09.2020	36200000	0	36100900	0	36100900	0	36100900	0

From the above table, it is noted that MTEL has not mentioned about any preference shares being issued by the company for raising money.

- vi. From Form 23 AC (Form for filing Balance Sheet) /Form AOC-4 (Form for filing financial statement and other documents with the Registrar) and its annexures filed by MTEL with ROC, it is noted that: -

Table 4:

Financial Year	Authorised Share Capital (in Rs)	Issued Subscribed & Paid up Capital (in Rs)	Share Capital raised during FY as per Form 23 AC/ Form AOC-4
FY 2011-12	35000000	33793400	Equity Shares (Other Preferential Allotment)-4222000 Preference Shares-0
FY 2012-13	35000000	34952300	Equity Shares (Other Preferential Allotment)-1158900 Preference Shares-0
FY 2013-14	35100000	35090900	Equity Shares (Other Preferential Allotment)-13860 Preference Shares-0
FY 2014-15	36200000	36100900	*Equity Shares-0 Preference Shares-0
FY 2015-16	36200000	36100900	Equity Shares-0 Preference Shares-0
FY 2016-17	36200000	36100900	Equity Shares-0

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

			Preference Shares-0
FY 2017-18	36200000	36100900	Equity Shares-0 Preference Shares-0
FY 2018-19	36200000	36100900	Equity Shares-0 Preference Shares-0
FY 2019-20	36200000	36100900	Equity Shares-0 Preference Shares-0

From the above table, it is noted that in its Balance Sheet the company has only mentioned about the money raised through issuance of equity shares (Other preferential allotment) during FY 2011-12.

II. Violation of regulatory provisions:

9. Based on the complaints received till now, it is noted that Noticee no 1 namely, MTEL has issued 14143 number of preference shares to 127 investors during FY 2011-12 and failed to repay money collected through RCPS. Thus, it is alleged that MTEL was involved in mobilizing of funds from the public through issuance of RCPS to more than 49 investors during FY 2011-12 without ensuring compliance with the public issue norms, thereby, MTEL 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 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.
10. During 2011-12, Noticees no. 2 to 7 namely, Sh. Prithi Paul Singh Sethi, Sh. Rajesh Kumar Sharma, Sh. Sanjay Kumar Upadhyay, Sh. Shiva Nand Mishra, Sh. Vishwa Bandhu Vashistha and Sh. Deena Nath Maurya were directors of MTEL, thus, it is alleged that they also 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 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.
11. Further, Noticees No.8 to 19, namely, Arvind Tiwari, Pashupati Nath Dixit, Ramendra Prasad Sharma, Mukesh Kumar Khare, Maiku Lal, Ram Vishal Telars, Surendra Singh, Ram Kishore Prajapati, Rajesh Singh Yadav, Sita Ram Prajapati, Bharat Subhash Prasad Maurya and Chhotelal Shukla who became directors of MTEL after FY 2011-12 and failed to refund money raised through RCPS to the investors, thus, they are alleged to have contravened provisions of Section 73 of Companies Act, 1956



**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

read with Section 40(1), 40(2), 40(3) and 465 of the Companies Act, 2013 read with 465 of the Companies Act, 2013.

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.

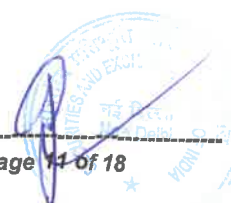
If any person acts in contravention of the provisions of this sub-section, he shall be punishable with fine which may extend to ¹[fifty] thousand rupees.

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 -





भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

(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

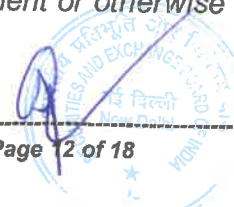
registration ; and if a prospectus is so issued, it shall be deemed to be a prospectus a copy of which has not been delivered under this section to the Registrar.

(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 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.





भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

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).

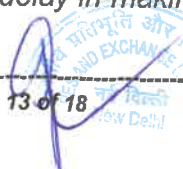
73. ALLOTMENT OF SHARES AND DEBENTURES TO BE DEALT IN ON STOCK EXCHANGE

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.]





भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

[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 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





भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

(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.

12. In view of the above mentioned violations alleged against the Noticee(s), the Noticee(s) are hereby called upon to show cause as to why suitable directions including the following directions should not be issued under sections 11(1), 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") against the Noticee(s):-

- a) MTEL shall not mobilize funds from investors through the issuance of equity shares / preference shares or any other securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly till further directions;
- b) MTEL/its present management and the noticees are prohibited from issuing prospectus or any offer document or issue advertisement for soliciting money from the public for the issue of securities, in any manner whatsoever, either directly or indirectly, till further orders;
- c) MTEL and the noticees , are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in the securities market, either directly or indirectly, till further directions;
- d) MTEL and the noticees shall provide a full inventory of all its assets and properties; and details of all their bank accounts, demat accounts and holdings of shares/securities, if held in physical form
- e) MTEL and the noticees shall not dispose of any of the properties or alienate or encumber any of the assets owned/acquired by that company through the Offer of RCPS in FY 2011-12, without prior permission from SEBI;





भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

- f) MTEL and the noticees shall not divert any funds raised from public at large through the Offer of RCPS, which are kept in bank account(s) and/or in the custody of MTEL;
- g) MTEL and the noticees directed to refund the money collected from investors by issuance of RCPS with an interest of 15% per annum within a period of 3 months from the date of order
- h) The Company shall issue public notice, in all editions of two National Dailies (one English and one Hindi) with wide circulation, detailing the modalities for refund, including details on contact persons including names, addresses and contact details, within fifteen days of the Order coming into effect.
- i) After completing the aforesaid repayments, MTEL and its present management including the noticees shall file a report of such completion of repayment with SEBI, within a period of three months from the date of this order, certified by two independent peer reviewed Chartered Accountants who are in the panel of any public authority or public institution. Peer reviewed Chartered Accountant shall mean a Chartered Accountant, who has been categorized so by the Institute of Chartered Accountants of India ('ICAI').
13. 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.
14. 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.





भारतीय प्रतिभूति
और विनियम बोर्ड
**Securities and Exchange
Board of India**

15. The Noticee(s) may also indicate, in their reply, whether they or any of them is desirous of a personal hearing before the Quasi-Judicial Authority, SEBI, in the present matter.
16. The Noticee(s) are further advised to keep SEBI informed about the change in their correspondence address, if any, and provide updated email-id and phone numbers, till the proceedings in the present matter are complete.
17. The Noticee(s) 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.
18. Documents relied upon in the notice have been annexed as per the list of enclosures.
19. The Noticee(s) may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If the Noticee(s) desire to opt for the settlement process, they 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 (Annexure 1 to 13 in CD)

**भारतीय प्रतिभूति
और विनिमय बोर्ड**
**Securities and Exchange
Board of India**

List of Annexures

Sr. No.	Documents	Annexure
1	Complaint dated March 12, 2014 and May 28, 2013	1
2	SEBI letter dated August 21, 2013	2
3	SEBI letters dated October 8, 2013, November 7, 2013 and December 11, 2013	3
4	SEBI letters dated April 29, 2014 and August 20, 2014	4
5	MTEL Director (Sh. Gyanendra Kumar Singh) reply dated June 22, 2021	5
6	MTEL Director (Sh. Vineet Kumar Dwivedi) reply dated June 23, 2021	6
7	MTEL Director (Sh. Shiva Nand Mishra) reply dated September 26, 2022	7
8	MTEL Director (Sh. Vishwa Bandhu Singh Vashistha) reply dated September 28, 2022	8
9	MTEL Director (Sh. Rajesh Singh Yadav) reply dated October 11, 2022	9
10	MTEL Director (Sh. Maiku Lal) reply dated June 27, 2023	10
11	MTEL Director (Ram Vishal Telars) reply dated July 04, 2023	11
12	Complaints received by SEBI	12
13	Information received from Registrar of Companies, Kanpur	13

