BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/SV/AJ/2023-24/30067]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT,1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICERS), RULES, 1995

In respect of
M/s. Parvati Minerals Pvt. Ltd.
(PAN: AAACP9191Q)

in the matter of Sun & Shine Worldwide Limited.
(formerly known as Robinson Worldwide Trade)

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had conducted investigation into the trading activities of certain entities in the scrip of Sun and Shine Worldwide Limited (herein after referred to as "Company/ Sun & Shine"), for the period from October 1, 2012 to September 30, 2014 (hereinafter referred to as "**Investigation Period/IP**"). The focus of investigation was to ascertain whether there were any violations of Securities and Exchange Board of India Act, 1992(herein after referred to as "**SEBI Act, 1992**"), Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as **'PFUTP Regulations'**). Pursuant to aforementioned investigation, SEBI observed violations of Section 12A(a), (b), (c) of SEBI Act,1992 read with Regulation 3(a), (b), (c), (d) and Regulations 4(1), 4(2) (a), (e) of PFUTP Regulations by M/s. Parvati Minerals Private Limited (herein after referred to as "**Noticee**") and other entities.

2. Therefore, SEBI initiated adjudication proceedings against the Noticee and the other entities. Initially, SEBI appointed Shri. Santosh Shukla, Chief General Manager as Adjudicating Officer, vide communiqué dated June 14, 2019 under Section 15-I of the SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules'**) to inquire into and adjudge under the

provisions of Section 15HA of the SEBI Act, the alleged violations of the relevant provisions of PFUTP Regulations by the Noticees, Subsequently, on transfer of Shri Santosh Shukla, the case was transferred to Shri Amit Pradhan. Subsequently, pursuant to transfer of Shri Amit Pradhan, Shri Prasanta Mahapatra (hereinafter referred to as "**erstwhile AO**") was appointed as the AO in the matter vide Communiqué dated June 21, 2021.

3. A common Show Cause Notice no. EAD-2/SS-SKS/OW/20023/2/2019 dated August 05, 2019 (hereinafter referred to as "**SCN**") was issued to the Noticees by the erstwhile AO to show cause as to why an inquiry should not be initiated against them and penalty should not be imposed upon them under the provisions of Section 15HA of SEBI Act, for violation of Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a), (e) and (g) of PFUTP Regulations, alleged to have been committed by them.

4. The erstwhile AO, viz. Shri Prasanta Mahapatra vide common Adjudication Order dated June 30, 2022 (hereinafter referred to as '**Adjudication order'**), concluded that Noticee viz. Parvati Minerals Pvt. Ltd. had violated Section 12A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations and imposed a penalty of Rs. 5,00,000 (Rupees Five lakh only) on the Noticee

5. Thereafter, an appeal, Appeal No. 688 of 2023, was filed before Hon'ble Securities Appellate Tribunal (**SAT**) by the Noticee challenging the aforementioned Adjudication order, alleging that it was neither served with the SCN nor an opportunity of hearing was granted to them. The Hon'ble SAT, vide order dated September 06, 2023 (hereinafter referred to as "**SAT Order**"), set aside the Adjudication order against the Noticee and remitted the matter to the Adjudicating Officer for passing a fresh order in accordance with law with respect to the Noticee after serving a copy of the SCN to it. The relevant extracts of the aforementioned order of Hon'ble SAT are reproduced hereunder:

   "4. In view of the aforesaid, we are of the view that the impugned order was in violation of the principles of natural justice. The show cause notice was not served nor an opportunity of hearing was provided. Consequently, on this short ground, the impugned order cannot be sustained and is quashed. The appeal is allowed. The matter is remitted to AO to pass a fresh order in accordance with law and after giving an opportunity of hearing. In this regard, the appellant shall appear before the AO on September 20, 2023 on which date the respondent

would serve the show cause notice to the appellant and the matter would proceed from there onwards. We have also been informed that the pursuant to the impugned order the penalty amount has been recovered. We direct the AO to deposit this penalty amount in an interest bearing account which would be subject to the result of the adjudication proceedings"

APPOINTMENT OF ADJUDICATING OFFICER

6. In accordance with the aforesaid order of Hon'ble SAT, SEBI, vide order dated September 07, 2023 appointed the undersigned as the Adjudicating Officer under Section 19 of SEBI Act read with Section 15I(1) and Rule 3 of Adjudication Rules to inquire into and adjudge under the provisions of Section 15HA of SEBI Act, the alleged violation of provisions of Section 12A(a),(b),(c) of SEBI Act read with Regulations 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations by the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

7. Vide digitally signed email as well as letter sent to the Noticee through Speed Post Acknowledgement due (herein after referred to as '**SPAD**') dated September 11, 2023, the appointment of the undersigned as Adjudicating Officer in the matter was communicated to the Noticee and the Noticee was also advised to collect the SCN from the office of the undersigned on September 20, 2023, as directed by Hon'ble SAT. Vide email dated September 18, 2023, Shri Ashok Sikka, Advocate, the Authorised Representative (AR) of the Noticee acknowledged receipt of SEBI letter dated September 11, 2023 and requested to conduct the hearing virtually online on September 20, 2023. Additionally, he requested that the SCN may be served upon him through email after recording the minutes of the meeting to be held virtually, on September 20, 2023. Vide aforesaid email as well as letter, a copy of SCN along with its Annexures were forwarded to the Noticee.

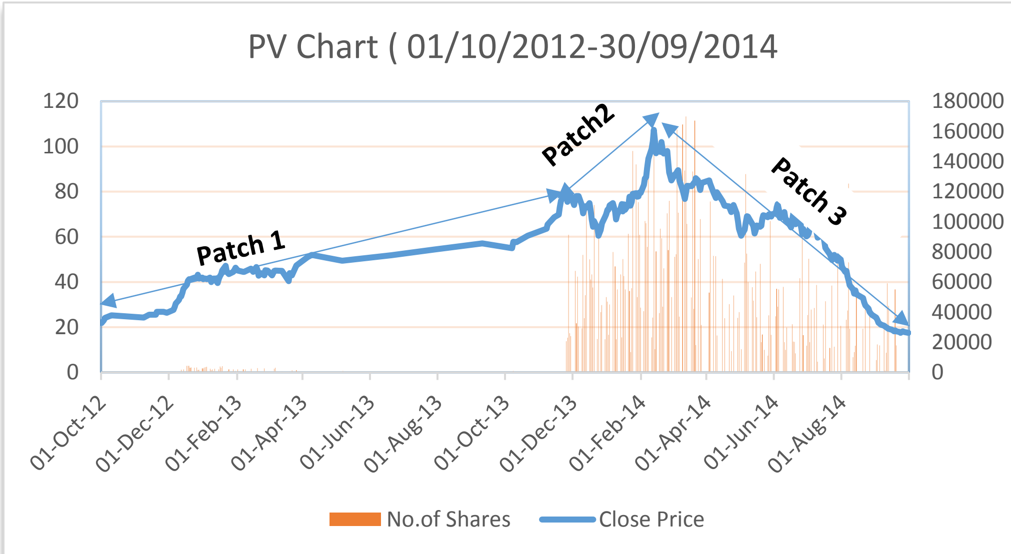
8. In line with the direction of Hon'ble SAT the AR of the Noticee attended the hearing on September 20, 2023. During the hearing the allegations levelled against the Noticee was explained to the AR. Further, the AR confirmed the receipt of the SCN along with the Annexures in the instant matter. The AR was advised to submit reply to the SCN, if any, within 21 days from the hearing i.e. on or before October 11, 2023.

9. Thereafter, in the interest of natural justice, vide hearing notice dated October 16, 2023, served on the Noticee through digitally signed email dated October 16, 2023, the Noticee was granted an opportunity of personal hearing before the undersigned at 11:00 a.m. on October 26, 2023. Vide email dated October 25, 2023, the AR of the Noticee submitted a reply to the SCN. On the scheduled date of hearing, the AR of the Noticee, appeared on behalf of the Noticee before the undersigned and reiterated the submissions to the SCN, made by the Noticee vide email dated October 25, 2023. Further, the AR sought time till November 10, 2023 to make additional submissions. The AR also requested a final hearing the matter. The request was acceded to and the final hearing was scheduled at 11:00 a.m. on November 21, 2023. Vide email dated November 20, 2023, the AR provided supplementary submissions to the SCN. On the scheduled date of the final hearing, the AR of the Noticee, appeared on behalf of the Noticee before the undersigned and reiterated the submissions made by the Noticee vide email dated October 25, 2023 and November 20, 2023.

10. The allegation made in the SCN is summarised as under:

10.1 Securities and Exchange Board of India ("SEBI") conducted investigation in the matter of Sun and Shine Worldwide Limited (hereinafter referred to as "SSWL" or "the company"), a company having its shares listed on BSE Ltd. ('BSE'), during the period from October 01, 2012 to September 30, 2014 (hereinafter referred to as "investigation period"), to ascertain whether any suspicious entities have traded in the scrip of SSWL in violation of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as 'PFUTP Regulations').

10.2 During the investigation period, the shares of SSWL traded with an average volume of 33,799 shares per day and a total volume of 93,62,316 shares were traded in 7,411 trades in 277 trading days. Further, price of the scrip opened at Rs. 21.90 on October 01, 2012, reached a high of Rs.109.70 on February 13, 2014 and closed at Rs. 17.50 on September 30, 2014. The price/volume movement in the scrip of SSWL for the period from October 01, 2012 to September 30, 2014 is as under:



10.3 SEBI observed that there was no major impact on price on the basis of any corporate announcement made by the company during the investigation period.

10.4 SEBI undertook last traded price ("LTP") analysis to ascertain whether any entity(ies) manipulated the price of the scrip of SSWL during the investigation period. Based on the price trend of the scrip (rise/fall), the investigation period has been divided into three patches as mentioned in Table 1 below and the price volume data of SSWL's scrip during the investigation period is mentioned in Table 2 below:

Table-1

Sl No	Patch	Period	Price movement	Price Trend (Rise/ Fall)
1	Patch 1	01/10/2012-20/11/2013	21.90-76.00 (+247.03%)	Rise(with minimal volume)
2	Patch 2	25/11/2013-12/02/2014	79.50-107.35 (+35.03%)	Rise (with substantial volume)
3	Patch 3	13/02/2014-30/09/2014	109.70-17.50	Fall

Table-2

Period		**Opening Price (volume) on first day of the period (Rs)**	**High Price(volume) during the period (Rs.)**	**Low price(volume) during the period (Rs.)**	**Closing price (volume) on last day of**	**Avg. no. of (shares) traded during the period**

					the period (Rs.)	
Patch – I (01/10/2012-20/11/2013	Price	21.90 (01/10/2012)	76 (20/11/2013)	21.90 (01/10/2012)	76 (20/11/2013)	1,252
	Vol.	100	50	100	50	
Patch – II (25/11/2013-12/02/2014	Price	79.5 (25/11/2013)	107.35 (12/02/2014)	60.55 (24/12/2013)	107.35 (12/02/2014)	1,20,149
	Vol.	20,600	1,44,750	96,000	1,44,750	
Patch – III (13/02/2014-30/09/2014)	Price	109.70 (13/02/2014)	109.70 (13/02/2014)	17.50 (30/09/2014)	17.50 (30/09/2014)	43,501
	Vol.	15,304	15,304	251	251	

10.5 <u>Observations based on LTP analysis for Patch 1:</u>

10.5.1 During this patch, the price of SSWL's scrip opened at Rs. 21.90 and reached a high of Rs. 76.00 and then closed at Rs. 76.00 with a net LTP of Rs.55.10 and positive LTP of Rs.160.70.

10.5.2 SEBI identified 180 entities , comprising of Group I and Group II collectively referred to as "suspected entities" or "group entities". Group I as a buyer, contributed positive LTP of Rs. 44.75/- (27.85% of total market positive LTP) in 40 trades and net LTP of Rs. 0.05/- in 318 trades. The details are summarised in the table below:

Table 3

	All Trades			LTP >0			LTP Diff <0			LTP Diff =0		
Buyer Name	Net LTP	Sum of Qty	No of trades	+ LTP	Sum of Qty	No of trade	Negative LTP	Sum of Qty	No of trade	QTY	No of trade	% of +LTP to Market + LTP
Parvati Minerals Pvt	2.55	2690	14	2.60	1840	3	-0.05	50	1	800	10	1.62
Ramashiva Lease Finance Pvt	2.70	1100	3	2.70	100	1	0.00	0	0	1000	2	1.68
Shah and Sons Propon Pvt Ltd	1.50	3289	25	1.85	200	2	-0.35	100	1	2989	22	1.15
Shalibhadra Steel Pvt. Ltd	-5.60	8315	85	10.10	1250	9	-15.70	4950	58	2115	18	6.29
Shankhesh War Metals	0.90	43074	175	27.45	23860	24	-26.55	11284	128	7930	23	17.08
Siddhi Vinayak Tradelink	-2.00	228	16	0.05	5	1	-2.05	223	15	0	0	0.03

Total	0.05	58696	318	44.75	27255	40	-44.70	16607	203	14834	75	27.85
Market LTP	55.10	108932	678	160.70	37085	115	-105.6	26527	291	45320	272	100.00

10.6 Out of the aforesaid group entities, four entities viz. Shankheshwar Metals Pvt Ltd., Parvati Minerals Pvt Ltd, Shah and Sons Propon Pvt Ltd., Shah Realcom Pvt Ltd. traded amongst themselves and contributed Rs. 31.80/- i.e. 19.79% of total market positive LTP in 28 trades (Trade log details was shared in a CD). The summary of their trades which contributed to positive LTP by trading amongst themselves is mentioned in the table below:

Table 4

Seller Name→	Parvati Minerals Pvt Ltd	Shah and sons propon pvt ltd	Shah Realcom Pvt Ltd	Total LTP as buyer (No. of Trades)
Buyer Name↓				
Shankheshwar Metals Pvt.ltd	21.70 (17)		5.65 (6)	27.35 (23)
Parvati minerals Pvt Ltd		2.60(3)		2.60(3)
Shah and Sons Propon Pvt Ltd	1.85 (2)			1.85(2)
Total LTP as Seller (No. of Trades)	23.55 (19)	2.60 (3)	5.65 (6)	31.80 28)

11. Therefore, in view of the observations recorded in the preceding paragraphs, it has been alleged that in Patch 1, the Noticee and other 3 entities contributed significant amount of positive LTP of market positive LTP i.e. 19.79% of market positive LTP in 28 trades by trading amongst themselves and employed fraudulent device to manipulate the price of the scrip in violation of Section 12A(a),(b),(c) of the SEBI Act read with Regulation 3(a),(b), (c), (d) and Regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

12. The main points mentioned in the replies submitted by the Noticee vide its letters dated October 25, 2023 and November 20, 2023 are given below:

Inordinate delay in issuance of SCN

12.1 *The SCN has been issued after an inordinate delay of approximately more than 10 years. The officer conducted the investigation during the period from 01.10.2012 till 30.09.2014, whereas the SCN is issued only on 05.08.2019. The Noticee submits that no satisfactory reasons or even a whisper have been recorded in the SCN to explain or justify delay of 5 years in issuing the SCN. The reasons recorded in the investigation do not justify the inordinate delay of 10 years in total and the same has adversely affected the ability of the Noticee to place facts on record and defend its case effectively as it is not in position to recollect and explain the logic behind trading decisions at that point of time, collate the data fully and offer clarification. The delay in issuance of SCN defeats the purpose of justice for which proceedings are initiated and has caused great prejudice to the Noticee.There is an inordinate delay of more than 10 years, reliance is placed on the judgment date 28.02.2019 passed by Hon'ble SAT in appeal no. 11311 of 2013 in Bhavesh Pabari. Vs SEBI and various other judgement of Hon'ble SAT.*

Requisite documents not shared with the Noticee

12.2 *….I further say and submit that the requisite documents as collected during the course of investigation and relied in the IR and in the SCN have not been shared with me. ….*

SCN does not establish charge against the Noticee / Noticee has not raised the price of the scrip

12.3 *We further say and submit that the Noticee had executed trades at prevailing market price. It is matter of recorded that buy Orders of the Noticee had been placed in the system when the sell Orders already placed and exist.It is pertinent to mention that the definition of Market Price not changes trade to trade but always remain the same whether the counter party to the trades is known entity or unknown. Since all buy orders of the Noticee in the scrip of the SSWL had been placed after the sell orders had been placed in the system, the question of raising the price of the scrip by the Noticee does not arises at all.*

The Noticee had executed trades at prevailing market price. It is matter of record that buy Orders of the Noticee had been placed in the system when the sell Orders already placed and exist. In this connection, the Noticee places reliance on the Order dated 31-05-2019 passed by the Ld. WTM in favour of Amit H. Tilala in the matter of M/s. Esaar (India) Ltd. defining the market price:

I find that most of the times, buy orders were placed by the Noticee only after the sell orders were placed in the system. It is also found that the orders were placed on the market price i.e. the price at which sell orders were already available in the system.

It is pertinent to mention that the definition of Market Price not changes trade to trade but always remain the same whether the counter party to the trades is known entity or unknown. Since all buy orders of the Noticee in the scrip of the SSWL had been placed after the sell orders had been placed in the system, the question of raising the price of the scrip by the Noticee does not arises at all.

The Noticee's purported contribution to positive Last Trade Price ("LTP") was a mere 1.61%, which undoubtedly could never influence prices momentously. The Noticee had merely bought shares in the scrip and sold it 13 times during the investigation as any prudent investor would do when the price of the scrip is rising, and no adverse inference could be drawn on a miniscule and insignificant contribution to the total market positive LTP.

The Noticee is not connected to most of the entities

12.4 *That the Investigation officer failed to appreciate that admittedly, this Noticee is not connected to most of the entities and pertinently, there are no allegations that this Noticee is connected to or has traded with any of the entities mentioned in the SCN. Further, the SCN is severely erroneous to categorize entities as "suspected/group entities". That there is no reason/justification provided by the Investigation officer to categorize entities as a purported "group", which makes it apparent that the Investigation officer has based allegations pertaining to connections based on its own wrong presumptions and assumptions, which could never stand the scrutiny of law and on this ground also*.

Fund transfer in normal course of business

12.5 *SCN failed to appreciate that the fund transactions of the Noticee were legitimate and genuine and in the normal course of business and the Noticee and other entities are corporate bodies whose businesses are managed by a separate board of directors and there could never be any imposition or influence of one or two common individuals while making decisions for a company as a whole.*

That the fund transaction with Dhanlaxmi Lease and Finance Ltd were in the normal course of business. It is pertinent to note that Dhanlaxmi Lease and Finance Ltd is an independent company and its transactions and fund transfers with other entities, which are unrelated to the Noticee, could never be deemed as basis to form allegations against the Noticee. That it is trite law that no conclusion could be based on preponderance of probability.

No unlawful gain made by the Noticee

12.6 *The SCN has rightly concluded that SSWL had not made any corporate Announcements during the investigation period and thus, there could not have been any major impact of its share price. However, the officer failed to appreciate that any prudent trader/invester would trade in scrip with an intention to earn profits. Therefore, it could never be alleged that the Noticee had traded in the scrip with an unfair advantage to gain unscrupulous gains. The very premise of the officer is devoid of merits and thus, the allegations against the Noticee are farfetched and unsustainable.*

There is neither is any material on record which quantifies the amount of disproportionate gain or unfair advantage made by the Noticee nor there is any indication of any loss suffered by investors as a result of the Noticee's purported default

Omission of other Noticee(s)

12.7 *Investigation Report concludes:*

12.7.1

As can be seen from the above table, these four entities of Group I contributed significant amount of positive LTP (19.79% of market positive LTP) by trading among themselves and employed fraudulent device to manipulate the price of the scrip in violation of Section 12A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(a), 4(2)(e) of SEBI (PFUTP) Regulations 2003. Hence, adjudication proceedings are recommended against 1. Shankeshwar Metals Pvt Ltd, 2. Parvati Minerals Pvt Ltd, 3. Shah &

Sons Propon Pvt Ltd 4. Shah Realcom Pvt Ltd u/s 15HA of the SEBI Act, 1992.

It may be noticed that in the aforementioned concluding para the finding of contributed signification positive L.T.P is found to be 19.79% by the persons namely 1. Shankeshwar Metals Pvt Ltd, 2. Parvati Minerals Pvt Ltd, 3. Shah & Sons Propon Pvt Ltd 4. Shah Realcom Pvt Ltd.

12.7.2

Shankeshwar Metals Pvt ltd, Parvati Minerals Pvt Ltd, Shah & Sons Propon Pvt Ltd and Shah Realcom Pvt Ltd contributed significant amount of positive LTP (19.79% of market positive LTP) by trading among themselves and employed fraudulent device to manipulate the price of the scrip in violation of Section 12A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2)(a), 4(2)(e) of SEBI (PFUTP) Regulations 2003.

It may further be noted that here again 4 names are mentioned, however, 3rd and 4th names have not been mentioned in the list of Noticees. However, it may be noticed that table no. 6 mentions only 3 of the 4 names

13. The Noticee has placed reliance on the Orders/Judgements:

  13.1 passed by the Hon'ble Supreme Court and Hon'ble Tribunal in the matter of T Takano v/s SEBI, Civil Appeal No. 487 -488 of 2022 with respect to disclosure of all relevant materials/principles of natural justice and

  13.2 Order dated 31-05-2019 passed by the Ld. WTM in favour of Amit H. Tilala in the matter of M/s. Esaar (India) Ltd. in respect of defining the market price.

CONSIDERATION OF ISSUES AND FINDINGS

14. The issues that arise for consideration in the instant matter are:

Issue No. I Whether the Noticee is in violation of Section 12A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulations 4(1), 4(2) (a), (e) of PFUTP Regulations?

Issue No. II If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15HA of the SEBI Act?

Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

15. Before proceeding further, I would like to refer to the relevant provisions of the SEBI Act and the PFUTP Regulations:

<u>SEBI Act</u>

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(d)…..

<u>Provisions of PFUTP, Regulations,</u>

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a)buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or

contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a [manipulative,] fraudulent or an unfair trade practice in securities [markets].

[Explanation.–For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.

(2) Dealing in securities shall be deemed to be a [manipulative] fraudulent or an unfair trade practice if it involves [any of the following]: —

(a) indulging in an act which creates false or misleading appearance of trading in the securities market;

(b) ………

(e) any act or omission amounting to manipulation of the price of a security

(f) ……..

16. At the outset, before dealing with the merits of the case, I note that the Noticee has raised the preliminary issue with regard to delay in issue of show cause notice. In this regard, I note that the investigation was initiated against a large number of connected entities which apparently took time and ultimately notices were issued to entities in the present matter. Here I find it pertinent to note that during the investigation, information was requisitioned from various entities, the

Company, the directors of the Company, banks, brokers, registrar and transfer agent etc. Thereafter, the investigation, (*inter-alia*) entailed examination of bank statements, know your information (KYC) details, transaction details, ledger accounts, movement of funds, etc. I note from the available records it can be ascertained that adjudication proceedings were approved in the matter in the year of 2019 after completion of the investigation. Subsequently, vide SEBI communique dated June 14, 2019, the AO was appointed in the said matter and the SCN dated August 05, 2019 was issued to the Noticees. Thereafter, vide SEBI communique dated June 21, 2021, a new AO was appointed to adjudicate the said matter. The SCN dated August 05, 2019 was re-issued by the new AO on informing the Noticees, the charges levelled against them and other relevant documents as annexures were provided to the Noticees. The SCN was sent to the registered address of the Noticees and some of the Notices were returned undelivered. Subsequently, the SCN was served through Affixture/Hand delivery and through Newspaper publication. I note that the last hearing was concluded on June 27, 2022. Thus, as can be seen from the above, the entire process was exhaustive and detailed, which involved various steps at different points of time and conducted with due diligence. Thus, I note that there was no delay which would have caused prejudice to the Noticee. Further the present proceedings were initiated basis the remand of the matter and directions of Hon'ble SAT as mentioned in paragraphs 5 to 9.

The SEBI Act, 1992 does not prescribe any period of limitation for the issuance of SCNs and for the initiation of adjudication proceedings. It is pertinent to note that, in the matter of SEBI Vs Bhavesh Pabari (2019) SCC Online SC 294, the Hon'ble Supreme Court of India has, inter alia, held that*: "There are judgments which hold that when the period of limitation is not prescribed, such power must be exercised within a reasonable time. What would be reasonable time, would depend upon the facts and circumstances of the case, nature of the default/statute, prejudice caused, whether the third-party rights had been created etc."*

In this regard, I find it relevant to also rely on Hon'ble SAT order passed in Hemant Sheth and Ors. vs. SEBI, Appeal No. 521 of 2021, decided on January 07, 2022, it was argued by the appellants that the adjudicating officer was appointed on July 04, 2013 but the show cause notice was issued in 2016 and therefore there was an inordinate delay of 30 months for which no plausible explanation was given. The Hon'ble SAT while dismissing the aforesaid contention of the appellants held that:

"9. Insofar as the delay is concerned we find that after the observation made by the WTM in its order of May 10, 2013 SEBI took action and appointed the AO dated July 4, 2013. No doubt the show cause notice was issued in January 2016 but the delay in the issuance of the show cause notice in the instant case will not vitiate the proceedings initiated against the appellants in the peculiar facts and circumstances of the case. Consequently, we are not inclined to quash the proceedings only on the ground of inordinate delay as asserted by the learned counsel for the appellant."

In view of the above, I do not find the contention raised by the Noticee as valid.

17. I also note that the Noticee has raised the issue regarding not sharing of documents / information such as copy of investigation report etc. In this respect, it is noted that documents which have been relevant in the SCN to make allegations against the Noticees, have been provided to the Noticees in the SCN. Further, it is also pertinent to note that vide mail dated October 25, 2023 the Noticee was provided with the Investigation report along with all the annexures. Therefore, the contention of the Noticee is not valid.

18. In its reply (12.7 as above), I note that the Noticee has submitted that certain names of other Noticees viz. Shah and Sons Propon Private Limited and Shah Realcom Private Limited, have not been mentioned in the Adjudication Order dated June 30, 2022 in the matter of dealing in the scrip of Sun and Shine Worldwide Limited. I note that vide Adjudication Order no. PM/NS/2021-22/14194 dated November 12, 2021 and Adjudication Order no. PM/NS/2021-22/14446 dated December 08, 2021, respectively, it has been established that both the aforesaid companies have been struck-off from the ROC list and both companies have been dissolved. Therefore, both companies do not exist and adjudication proceedings against the said companies is thus nullity. Also contrary to what has been stated by the Noticee, that table no. 6 mentions only 3 of the 4 names, it is noted that when both rows and columns headings are seen then all 4 names are present in the table.

Issue No. I Whether the Noticee is in violation of Section 12A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulations 4(1), 4(2) (a), (e) of PFUTP Regulations as alleged in the SCN?

19. Now I deal with the issues raised in the SCN and the other contentions of the Noticee. During the patch 1, the price of SSWL's scrip opened at Rs. 21.90 and reached a high of Rs. 76.00 and then closed at Rs. 76.00 with a net LTP of Rs.55.10 and positive LTP of Rs.160.70. It has been alleged in the SCN that the Noticee and three other entities viz. Shankeshwar Metals Pvt. Ltd., Shah and Sons Propon Pvt. Ltd. and Shah Realcom Pvt. Ltd. traded amongst themselves and contributed INR 31.80 i.e. 19.79% of total positive market LTP. The allegations in the SCN have been enumerated at para 10 and 11 above. In this regard, I note from the documents available on record that the entities Parvati Minerals Pvt. Ltd., Ramashiva Lease Finance Pvt. Ltd., Shah and Sons Propon Pvt. Ltd. and Shankeshwar Metals Pvt. Ltd. have traded amongst themselves and contributed INR 31.80 i.e. 19.79% of total positive market LTP. I also note from the Table 3 above, the entities (entities of Group I of the IR/SCN) have traded among themselves and contributed INR 34.6/- (21.53% of total positive market LTP). The same has inadvertently been recorded in the IR and SCN as INR 31.80 (19.79% of total positive market LTP). The revised table depicting the Noticee and along with the three entities trading among themselves, is as under:

Table 5

Buyer Name	**All Trades**			**LTP >0**			**LTP < 0**			**LTP = 0**		**% of Positive LTP to Total Market Positive LTP**
	Net LTP	**Sum of Qty**	**No. of Trades**	**+ LTP**	**Sum of Qty**	**No of Trades**	**Negative LTP**	**Sum of Qty**	**No of Trades**	**QTY**	**No of Trades**	
Parvati Minerals Pvt. Ltd.	2.55	2690	24	2.60	1840	3	-0.05	50	1	800	10	1.62
Ramashiva Lease Finance Pvt. Ltd.	2.70	1100	3	2.70	100	1	0.00	0	0	1000	2	1.68
Shah and Sons	1.50	3289	25	1.85	200	2	-0.35	100	1	2989	22	1.15

Propon Pvt.Ltd.												
Shalibhadra Steel Pvt. Ltd.	-5.60	8315	85	10.10	1250	9	-15.70	4950	58	2115	18	6.29
Shankeshwar Metals Pvt. Ltd.	0.90	43074	175	27.45	236860	24	-26.55	11284	128	7930	23	17.08
Siddhivinayak Tradelink Pvt. Ltd.	-2.00	228	16	0.05	5	1	-2.05	232	15	0	0	0.03
Total	0.05	58696	318	44.75	27255	40	-44.70	16607	203	14834	75	27.85
Market Total	**55.10**	**108932**	**678**	**160.70**	**37085**	**115**	**-105.60**	**26527**	**291**	**45320**	**272**	**100.00**

20. I also note that in the SCN, the names of Shankeshwar Metals Pvt. Ltd., Shah and Sons Propon Pvt. Ltd., Shah Realcom Pvt. Ltd. and the Noticee were mentioned. However, in Table 3, the name of Ramashiva Lease Finance Pvt. Ltd. was appearing while the name of Shah Realcom Pvt. Ltd. appeared in the explanation to Table 3. I note that SEBI has not provided any connection between Ramashiva Lease Finance Pvt. Ltd. with the Noticee viz. Parvati Minerals Pvt. Ltd. Therefore, the total LTP contribution between the three entities viz. Parvati Minerals Pvt. Ltd., Shankeshwar Metals Pvt. Ltd and Shah and Sons Popon Pvt. Ltd. is 31.90

20.1 Patch 1 - Price Rise - 01/10/2012 to 20/11/2013: The following is noted from the trade log:

Table 6

Seller Name→	Parvati Minerals Pvt Ltd. LTP (No. of trades) [Quantity Traded]	Shah and Sons Propon Pvt Ltd LTP (No. of trades) [Quantity Traded]	Shah Realcom Pvt Ltd LTP (No. of trades) [Quantity Traded]	Total LTP as buyer LTP (No. of trades) [Quantity Traded]	%of + LTP to Market +LTP
Buyer Name↓					

Shankheshwar Metals Pvt.ltd	21.70 (17) [16200]		5.65 (6) [7500]	27.35 (23) [23700]	17.00
Parvati Minerals Pvt Ltd		2.60 (3) [1840]		2.60 (3) [1840]	1.62
Shah and Sons Propon Pvt Ltd	1.85 (2) [200]			1.85 (2) [200]	1.15
Total LTP as Seller (No. of Trades)	23.55 (19) [16400]	2.60 (3) [1840]	5.65 (6) [7500]	31.80 (28) [25750]	

20.2 As seen from the above table, the Noticee's had bought 1840 shares (3 trades) from Shah and Sons Propon Pvt. Ltd. LTP contribution of the Noticee's buy trades was positive INR 2.60 which was 1.62% (i.e. % of positive LTP to market positive LTP) during this period. Therefore, during the price rise period where the price moved from INR 21.90 to INR 76, the Noticee had contributed to positive LTP through its buy trades for INR 2.60

20.3 The Noticee as a counterparty to these transactions especially for transactions pertaining to Shankeshwar Metals Pvt. Ltd. increased the price in the scrip in patch 1. The Noticee sold 16200 shares (17 trades) to Shankeshwar Metals Pvt. Ltd. and 200 shares (2 trades) to Shah and Sons Propon Pvt. Ltd. LTP contribution of the Noticee's sell trades is positive INR 23.55 (19 trades) which is 14.65% of LTP contribution during this period.

20.4 On perusal of the trade log, I find that the Noticee had traded for 1 day as a buyer and 13 days as a seller out of a total of 87 trading days during Patch 1. The Noticee along with Shankeshwar Metals Pvt. Ltd. and Shah and Sons Propon Pvt. Ltd contributed to positive LTP through their trades and the net positive LTP contribution constituted a price rise of INR 31.80 when the price of the scrip increased by INR 54.1 during the period.

20.5 The allegation against the Noticee along with Shankeshwar Metals Pvt. Ltd. and Shah Realcom Pvt. Ltd. is based on positive LTP contribution of INR 31.80 caused by 28 trades during Patch 1. In view of the trading pattern amongst the Noticee, Shankeshwar Metals Pvt. Ltd., Shah and Sons Propon Pvt. Ltd. and Shah Realcom Pvt. Ltd and the facts mentioned above, it can be concluded that the Noticee and the remaining three entities traded amongst themselves and contributed to positive LTP through a predetermined scheme.

20.6 In this regard, it is pertinent to refer the order of Hon'ble SAT dated March 21, 2014 in the matter of Saumil Bhavanagari v/s SEBI wherein the charge of manipulation was sustained stating that "*It is amply clear that although the scrip was available at a lower price, the Noticees bought them at a higher price only with a view to give false representation to the general public about the rise in price of the scrip. This was done repeatedly done by the Noticees. Such trades undoubtedly have a potential of raising the price of the scrip by sending a wrong signal to the gullible investors about the activity of price hike in the scrip. This was done evidently with ulterior motives, because if shares were available for a lesser price, there was no reason to place orders at a price higher than the LTP and if orders at price higher than LTP were placed on account of the financial status of the company then there was no reason to place some orders below LTP.*"

21. The Noticee had further contended that his buy orders were placed at market price after seller had already placed the orders. Also his buy trades had only purportedly contributed a mere 1.61% to positive LTP which undoubtedly could never influence prices momentously. Also that SSWL had not made any Corporate Announcements during the investigation period and thus, there could not have been any major impact of its share price. With regards to these contentions as already brought out above in para 19 and 20 the Noticee had traded for 1 day as a buyer and 13 days as a seller. Though the Noticee's buy trades contribution to market LTP was 1.62%, the Noticee was a counterparty to transactions especially for transactions pertaining to Shankeshwar Metals Pvt. Ltd. which increased the price in the scrip in patch 1. The Noticee sold 16200 shares (17 trades) to Shankeshwar Metals Pvt. Ltd. and 200 shares (2 trades) to Shah and Sons Propon Pvt. Ltd. LTP contribution of the Noticee's sell trades was positive INR 23.55 (19 trades) which is 14.65% of LTP contribution during this period and the Noticee along with Shankeshwar Metals Pvt. Ltd. and Shah and Sons Propon Pvt. Ltd contributed to positive LTP through their trades and the net positive LTP contribution constituted a price rise of INR 31.80 when the price of the scrip increased by INR 54.1 during the period. Thus the price of the scrip rose because of the transactions amongst

the entities as during this period no major price sensitive news / announcements were made by the company which could be attributed to justify significant price rise.

22. The Noticee has also contended that to allege that he had conducted transaction fraudulently mens rea has to be proved and there is no specific finding as to Noticees state of mind to defraud. In this regard I note that the imposition of penalty by the Adjudicating Officer, after due inquiry, is neither a criminal nor a quasi criminal proceeding. Reliance is placed on Hon'ble High Court of Bombay in the matter of SEBI v. Cabot International Capital Corporation (2004) 51 SCL 307 (BOM.) wherein it was laid down that mens rea a is not essential element for imposing penalty for breach of civil obligations or liabilities. Hon'ble High Court further provided that the imposition of the penalty under SEBI Act and Regulations is civil in nature and cannot be equated with penal in character. Therefore, the penalty leviable under Chapter V, is for breach of civil obligation. The provisions and scheme of penalty under SEBI Act and the Regulations, there is no element of any criminal offence or punishment as contemplated under criminal proceedings. Hence the contention of the Noticee cannot be accepted.

23. The Noticee had raised issue that connection between the Noticees has not been established. I note that the basis for grouping of the entities was that they had received funds from Dhanlaxmi Lease and Finance Ltd (Dhanlaxmi) or had off-market transfer of shares from Dhanlaxmi. In respect of establishing a connection between the Noticee and Shankeshwar Metals Pvt Ltd on examining the bank statements of Dhanlaxmi, it was observed that funds have been transferred from Dhanlaxmi to the Noticee and from Dhanlaxmi to Shankeshwar Metals Pvt Ltd. I note that the Noticee has submitted that the fund transfer/transaction with Dhanlaxmi were in the normal course of business and the Noticee and other entities are corporate bodies whose businesses are managed by a separate board of directors and there could never be any imposition or influence of one or two common individuals while making decisions for a company as a whole and fund transfers of Dhanlaxmi with other entities can't be basis to form allegations against the Noticee. Herein I note that the basis of connection of Noticee with Shankeshwar Metals Pvt Ltd is not only on the basis of the fund transfers but also based on the pattern of trading between them. As brought out above in para 19 and 20 the entities had traded amongst themselves and contributed significant amount of positive LTP of market positive LTP. Their trading pattern shows a concerted effort to manipulate the market.

Here, I would also like to refer to the decision of the Hon'ble SAT in the matter of Tanuj Khandelwal Vs.SEBI (Appeal no. 357 of 2020; Date of decision: 04.01.2021) has inter alia held: *"Having heard the learned counsel for the appellant and upon perusal of the impugned order we are of the opinion that the case of the appellant is distinguishable and consequently the decision in M/s. Nishith M. Shah HUF (supra), Rajesh Marchya (supra) and Mr. Jayant Indulal Sethna (supra) cases are not applicable and are distinguishable on facts. We find that except on three occasions the appellant only sold one share at a time on a daily basis. This trading pattern created misleading appearance with intention to manipulate the market if not the price. Thus, even if there is no connection with the buyer the trading pattern shows a concerted effort to manipulate the market and therefore we are of the opinion that the appellant was not acting as a genuine seller. We also find that the appellant had no bonafide intention to sell because inspite of sufficient buy orders being placed with abundant quantity being available in the market the appellant was only placing sell orders of one share at a time. This clearly shows his intention of manipulating the market for vested reasons".*

The Hon'ble SAT has further affirmed the abovementioned position in its order in the matter of Dhiren Dharamdas Agrawal HUF v. SEBI (Appeal No. 50 of 2022, Date of Decision: 05.09.2022) where it inter alia held – *" It was urged that the appellant was not connected with the Company or with the co-promoters nor was connected with the counter party nor was connected with other entities as indicated in the show cause notice. In this regard, the appellant has relied upon a decision of this Tribunal in the matter of Sapna Dilip Bombaywala vs SEBI (Appeal no. 143 of 2020 decided on June 24, 2020) and in the matter of M/s Nishith M. Shah HUF vs SEBI (Appeal no. 97 of 2019 decided on January 16, 2020) . In our opinion the said decisions are distinguishable and are not applicable to the facts in question. Even if there is nothing to establish any connection between buyer and seller, we are of the opinion that in the instant case the trades executed by the appellant were clearly manipulative and therefore violative of Regulation 3 & 4 of the PFUTP Regulations."*

Further, I rely on the Judgment of Hon'ble Supreme Court of India in the matter of Securities and Exchange Board of India Versus Kishore R. Ajmera in Civil Appeal No. 2818 of 2008 decided on February 23, 2016 with respect to the connection and interconnection of the Noticees, wherein, it was held that: *It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion".*

24. In view of all of the above, I find that the allegation against the Noticee of causing manipulative price rise in collusion with others in Patch 1 as established. Hence, I find that the allegations of violation of Section 12 A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations stand established against the Noticee.

Issue No. II If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15HA of the SEBI Act?

and

Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

25. In view of the abovementioned observations and findings and having considered all the facts and circumstances of the case, the material available on record and trading pattern of the Noticee mentioned in the preceding paragraphs including the submissions of the Noticee viz. **M/s. Parvati Minerals Pvt. Ltd. (PAN: AAACP9191Q),** I find that the Noticee manipulated the price of the scrip and created a misleading appearance of trading in the scrip. By executing such trades, the Noticee has violated the provisions of Section 12 A (a), (b), (c) of the SEBI Act read with Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) and (e) of the PFUTP

Regulations, 2003, which makes the Noticee liable for imposition of penalty under Section 15HA of the SEBI Act.

SEBI Act:

Penalty for fraudulent and unfair trade practices

15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.

26. While determining the quantum of penalty under 15HA of SEBI Act, the following factors stipulated in Section 15J of the SEBI Act have to be given due regard:

Factors to be taken into account while adjudging quantum of penalty by the Adjudicating Officer

1**5J**. While adjudging quantum of penalty under 15-I, the adjudicating officer shall have due regard to the following factors, namely :—

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
(b) the amount of loss caused to an investor or group of investors as a result of the default;
(c) the repetitive nature of the default.

27. In the present matter, the material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticee and also the loss suffered by the investors as a result of the Noticee's default. The consequences resulting from violations committed by the Noticee are of grave nature where the Noticee created misleading appearance of trading in the scrip of the Company through positive LTP contribution. If violations of this nature and magnitude are not dealt with a firm hand, then investors will lose faith in the Indian Securities Market.

ORDER

28. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules 1995, I hereby impose a monetary penalty on the Noticee as given in the table below:

Table 7

Noticee	**Violations under Section**	**Penalty under Section**	**Penalty Amount (INR)**
M/s. Parvati Minerals Pvt. Ltd.	Section 12A(a), (b), (c) of SEBI Act,1992 read with Regulation 3(a), (b), (c), (d) and Regulations 4(1), 4(2) (a), (e) of PFUTP Regulations, 2003	15 HA of SEBI Act, 1992	INR 5,00,000/- (Rupees Five Lakhs only)

29. I am of the view that the said penalty is commensurate with the violations on the part of the Noticee and acts as a deterrent factor for the Noticee and others in protecting the interest of investors.

30. The Noticee shall remit/pay the said amount of penalty within 45 days of receipt of this order through the online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT > Orders > Orders of AO > PAY NOW.

31. In terms of Rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to the Securities and Exchange Board of India.

Date: February 29, 2024 **SHASHI KUMAR VALSAKUMAR**
Place: Mumbai **ADJUDICATING OFFICER**