

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO. Order/SM/SM/2025-26/31838-31840**

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) RULES, 1995.

In respect of

Noticees No.	Noticee Name	PAN
1	Dr Anil Arora	AAEPA2685B
2	Mr. Bharat Bhushan Mehta	ABOPM0768L
3	Mr Ashok Kumar Shukla	BKZPS1222E

In the matter of Mawana Sugars Limited.

A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter also referred to as 'SEBI') conducted investigation in the matter of trading by certain entities in the scrip of Mawana Sugars Limited (hereinafter also referred to as 'Company' / 'MSL'/Mawana) for the period from September 01, 2017 to February 28, 2018 ('Investigation Period' / 'IP') to ascertain whether the trading of aforementioned suspected entities was based on UPSI in violation of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations, 2015' / 'PIT Regulations').
2. Pursuant to the investigation in the matter by SEBI and based on the findings, SEBI inter alia initiated adjudication proceedings in respect of Dr Anil Arora, erstwhile CFO of MSL ('Noticee 1' / 'Dr Arora' / 'erstwhile CFO'), Mr. Bharat Bhushan Mehta, then CFO of MSL ('Noticee 2' / 'Mr. B B Mehta' / 'then CFO') and Mr Ashok Kumar Shukla, then Company Secretary and Compliance Officer of MSL ('Noticee 3' / 'then Company Secretary and Compliance Officer')

(hereinafter Noticee 1 to Noticee 3 collectively also referred to as 'Noticees') for the alleged violation of various provisions of SEBI Act, 1992 and SEBI PIT Regulations, 2015 by Noticee 1, 2 and 3 in the subject matter.

B. APPOINTMENT OF ADJUDICATING OFFICER

3. Whereas, the Competent Authority was prima facie of the view that there were sufficient grounds to adjudicate upon the alleged violation by the Noticees, as stated and therefore, in exercise of the powers conferred under Section 19 of the SEBI Act read with Section 15I(1) of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter also referred as 'SEBI Adjudication Rules' / 'SEBI Rules'), the Competent Authority appointed Shri Amar Navlani, General Manager, SEBI (erstwhile AO), as Adjudicating Officer vide order dated June 30, 2023 to enquire into and adjudge under Section 15HB and 15G of the SEBI Act, 1992 the alleged violations by the Noticees, as stated. Subsequently, pursuant to the transfer of Shri Amar Navlani, the undersigned was appointed as AO vide Communique dated September 19, 2025.

C. SHOW CAUSE NOTICE, REPLY OF THE NOTICEES AND HEARING

4. A Common Show Cause Notice bearing reference no. SEBI/HO/EAD-5/AN/SM/37827/1-3/2023 dated September 13, 2023 (hereinafter also referred to as "SCN") was served upon the Noticees by erstwhile AO to inter alia show cause as to why an inquiry should not be held against them and why penalty be not imposed for the alleged violations as stated. The SCN was duly served upon Noticees through email and Speed Post Acknowledgement Due (SPAD).

5. In this regard, following was inter alia observed and alleged in respect of the Noticees:

“ ...

OBSERVATIONS OF SEBI PURSUANT TO THE EXAMINATION IN THE MATTER:

4.1. Noticee 1 - Dr Anil Arora

Dr Anil Arora communicated UPSI related to advanced quarterly estimates of Q.E. March 31, 2017 and June 30, 2017 to Mr. Siddharth Shriram and also allowed Mr. Shriram to have access to the UPSI related to advanced quarterly estimates of Quarters ending September 30, 2017 and December 31, 2017.

4.1.1. *As per submissions of the company, Dr Anil Arora was the CFO of Mawana Sugars Ltd during the period September 7, 2015 – November 2017. However, he exited the company on May 1, 2018. Hence, Dr Arora was the CFO during the period of UPSI i.e. the results of the company for Q.E. September 30, 2017.*

4.1.2. *It is observed from sample analysis of email dump of Mr. Siddharth Shriram that Dr Arora had forwarded the information regarding unaudited quarterly estimates of the company for Q.E. March 31, 2017 and Q.E. June 30, 2017 soon after the end of the said quarters to Mr. Shriram. Further, he was also the recipient of the email sent by Mr B B Mehta, his successor as CFO, to Mr. Shriram regarding the unaudited quarterly estimates of the company for Q.E. December 31, 2017.*

Further, it is observed that the aforesaid emails were sent by Dr Anil Arora, who was CFO till November, 2017, to Mr. Shriram and no advice has been sought from Mr. Shriram who was special advisor to the company. Also no response/advice to the aforesaid emails has been provided by Mr. Shriram. Therefore, it is concluded that sending the information regarding the quarterly estimates of the company to Mr. Siddharth Shriram was not in furtherance of any legitimate purpose, performance of duties or fulfilment of any legal obligation. Dr Arora has submitted during statement recording that all information which Mr Shriram used to receive as CMD was being provided to him even after he had resigned as CMD and become the Special Advisor. (Emails dated 20/04/2017, 03/08/2017 and 12/01/2018 forwarding advanced Quarterly estimates for Quarters of March 2017, June, 2017 and December, 2017 to Mr. Siddharth Shriram are enclosed as Annexure 15.)

4.1.3. *From sample analysis of the email dump, it is observed that Dr Arora has forwarded various other sensitive company information to Mr. Shriram during FY 2017-18 which inter-alia include Cash Flow estimates, Sugar Sales Review, Working capital requirement etc. The emails sent by Dr Arora to Mr Shriram are placed at Annexure - 21.*

4.1.4. *Dr Arora has enabled Mr Shriram to possess UPSI related to advanced estimates of company's quarterly performance which in turn has enabled Mr Shriram to sell his shares in MSL while being in possession of the UPSI related to Q.E. September 30, 2017.*

4.1.5. *It is also noted that since Mr Shriram was an advisor to the company and not an employee, having access to the PSI of quarterly estimates or any other information which might enable him to have possession of the PSI of quarterly estimates was not a part of his mandate as special advisor.*

4.1.6. *During statement recording, Dr. Arora admitted that he has never objected to or raised concern regarding Mr Shriram receiving the aforesaid information regarding the financial position of the company and has forwarded the aforesaid financial information as a matter of past practice.*

In view of the above, it is alleged that Noticee 1 communicated UPSI related to advanced quarterly estimates of Q.E. March 31, 2017 and June 30, 2017 to Mr. Siddharth Shriram and also allowed Mr. Shriram to have access to the UPSI related to advanced quarterly estimates of Quarters ending September 30, 2017 and December 31, 2017 and therefore, Noticee 1 has violated Regulation 3(1) of SEBI PIT Regulations, 2015 and Section 12A(e) of SEBI Act, 1992.

4.2. Noticee 2 - Mr. Bharat Bhushan Mehta

Mr. Bharat Bhushan Mehta communicated UPSI related to advanced quarterly estimates of Q.E. December 31, 2017 to Mr. Siddharth Shriram.

4.2.1. *As per submissions of the company, Mr B B Mehta was appointed as CFO of Mawana Sugars Ltd on November 1, 2017 and is continuing till date.*

4.2.2. *It is observed from email records that he has forwarded email dated January 12, 2018 to Mr. Siddharth Shriram which contains advanced estimates for financial results for Q.E. December 31, 2017 which is a price sensitive information.*

4.2.3. *Further, it is observed that the aforesaid email was sent by Mr B B Mehta, who is CFO since November, 2017, to Mr. Shriram and no advice has been sought from Mr. Shriram who was special advisor to the company. Also no response/advice to the aforesaid emails has been provided by Mr. Shriram. Therefore, it is concluded that sending the information regarding the quarterly estimates of the company to Mr. Siddharth Shriram was not in furtherance of any legitimate purpose, performance of duties or fulfilment of any legal obligation. Mr B B Mehta has submitted during statement recording that all information which Mr Shriram used to receive as CMD was being provided to him even after he had resigned as CMD and become the Special Advisor.*

In view of the above, it is alleged that Noticee 2 communicated UPSI related to advanced quarterly estimates of Q.E. December 31, 2017 to Mr. Siddharth Shriram and therefore, Noticee 2 has violated Regulation 3(1) of SEBI PIT Regulations, 2015 and Section 12A(e) of SEBI Act, 1992

4.3. Noticee 3 - Mr Ashok Kumar Shukla

- i. Mr. Ashok Kumar Shukla, as Company Secretary and Compliance officer, failed to ensure that Mr. Siddharth Shriram did not have access to UPSI related to advanced estimates of quarterly performance for Q.E. March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017 which was not part of his mandate as Special Advisor.
- ii. Mr. Ashok Kumar Shukla, as Company Secretary and Compliance Officer, has failed to administer the "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information" of Mawana Sugars Ltd and monitor compliance with the aforesaid code's requirements.

- 4.3.1. As per submissions of the company and disclosures made to the Exchanges, Mr. Ashok Kumar Shukla was the Company Secretary and Compliance Officer of the company during the IP.
- 4.3.2. As Company Secretary and Compliance Officer, it was the responsibility of Mr. Shukla to ensure compliance with the Code of Conduct of the company formulated to adhere to the provisions of SEBI PIT Regulations, 2015 and SEBI Act, 1992
- 4.3.3. The company had submitted its "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information" vide its letter dated June 18, 2019 (Annexure - 2). The following is mentioned at Clause 5 of the aforesaid code:

"Unpublished price sensitive information on Need-to-know basis

Unpublished Price Sensitive Information shall be handled on a "need to know" basis i.e. Unpublished Price Sensitive Information shall be disclosed only to those where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations"

- 4.3.4. Since Mr. Siddharth Shriram was an Advisor to the company and not a regular employee, it was the duty of Mr. Shukla, being the Company Secretary and Compliance officer to ensure that Mr. Shriram was provided sensitive company information, especially UPSI on a need-to-know basis.
- 4.3.5. Further, it is observed that even when Mr. Shriram commenced selling shares of MSL on October 12, 2017 onwards and did so on 31 trading days, the last being November 24, 2017 (reporting of these transactions was being done to the Exchanges), Mr. Shukla took no steps to ensure that Mr. Shriram was not in possession of any UPSI while he was conducting aforesaid sale transactions.
- 4.3.6. In view of the aforesaid, it is concluded that Mr. Ashok Kumar Shukla, as Company Secretary and Compliance officer, failed to ensure that Mr. Siddharth Shriram did not have access to UPSI related to advanced estimates of quarterly performance for Q.E. March 31, 2017, June 30, 2017 and December 31, 2017. Further, as submitted by Mr. Shukla during statement recording, all information which Mr. Shriram used to receive when he was the Chairman continued being shared with him even after his resignation. In view of the same and the wide range of information provided to Mr. Shriram regarding the functioning of the company for the September 2017 quarter (ref. Table 18), it is observed that Mr. Shriram had knowledge of the financial performance of the company during the Quarter ended September 30, 2017 as well. The aforesaid was not part of his mandate as Special Advisor and Mr. Ashok Kumar Shukla, as Company Secretary and Compliance officer has taken no steps to ensure that Mr. Shriram did not have access to UPSI while he was selling 25,00,000 shares of MSL during October 12, 2017 – November 24, 2017.
- 4.3.7. Therefore, it is observed that Mr. Ashok Kumar Shukla, as Company Secretary and Compliance Officer, has failed to administer the "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information" of Mawana Sugars Ltd and monitor compliance with the aforesaid code's requirements.

In view of the above, the following is alleged:

- i. Noticee 3, as Company Secretary and Compliance officer, failed to ensure that Mr. Siddharth Shriram did not have access to UPSI related to advanced estimates of quarterly performance for Q.E. March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017 which was not part of his mandate as Special Advisor.
- ii. Noticee 3, as Company Secretary and Compliance Officer, has failed to administer the "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information" of Mawana Sugars Ltd and monitor compliance with the aforesaid code's requirements.

Therefore, it is alleged that Noticee 3 has violated Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of Mawana Sugars Ltd read with Regulation 9(3) of SEBI PIT Regulations, 2015 and Section 12A(e) of SEBI Act, 1992.

...."

6. Vide respective emails dated September 30, 2023 and October 16, 2023, Noticees sought inspection of documents. Vide email dated October 25, 2023, Noticees were provided with opportunity of inspection of the documents on October 30, 2023. However, vide emails dated October 27, 2023, Noticees informed their intention of availing settlement and about not availing opportunity of inspection of the documents. Vide email dated October 30, 2023, Noticees were advised to submit proof of having filed the settlement Application with

SEBI. Further, Noticees attention were drawn to Regulation 8(1) of the SEBI (Settlement Proceedings Regulations), 2018 which reads as under:

“ ...

8. (1) *The filing of an application for settlement of any specified proceedings shall not affect the continuance of the proceedings save that the passing of the final order shall be kept in abeyance till the application is disposed of.*

...”

7. Vide email dated October 30, 2023, Noticees indicated that they were in the process of filing an application under the Settlement Regulations and will share a copy of the same, once the application were filed. Vide emails dated November 17, 2023, Noticees indicated that they have filed the application for Settlement. Vide emails dated November 23, 2023 and November 24, 2023 and December 01, 2023, Noticees filed their respective replies to the SCN ('reply to the SCN').
8. Having regard to the principles of Natural Justice, vide Hearing Notice dated November 24, 2023, an opportunity of personal hearing was afforded to the Noticees by the erstwhile AO on December 05, 2023. On the scheduled date of hearing, the Noticees appeared along with common Authorized Representatives viz., Mr. Ajay Bahl, Mr Ankit Tandon and Mr. Aditya Jalan (Authorized Representatives / ARs) for the hearing opted to be held online viz., via video conferencing. During the hearing, the Noticees /ARs relied upon and reiterated the written submissions made vide email dated November 23, 2023 by Noticee 1, email dated November 24, 2023 by Noticee 2 and email dated November 24, 2023 and December 01, 2023 by Noticee 3. Further, the Noticees / ARs sought time till December 15, 2023 for making additional submission as final and complete submissions in the matter and the same was allowed. Noticees vide email dated December 15, 2023, submitted common additional submissions.
9. As regards settlement applications filed by the Noticees, vide email dated January 23, 2024, Noticees sought to withdraw their settlement application in

the matter following which vide email dated January 29, 2024, SEBI informed Noticees that their settlement application stood withdrawn.

Submissions of Noticee 1 dated November 23, 2023

1. The Said Notice indicates that your good offices have initiated adjudication proceedings inter alia against me, as the erstwhile Chief Financial Officer ("CFO") of Mawana Sugars Limited ("Company"), under Section 15G of the Securities and Exchange Board of India Act, 1992 ("SEBI Act").
2. It is particularly alleged that "Dr. Anil Arora communicated, UPSI related to the advanced quarterly estimates for the quarter ended March 31, 2017, and June 30, 2017, to late Mr. Siddharth Shriram and allowed late Mr. Shriram to have access to the UPSI related to advance quarterly estimates for the quarters ended September 30, 2017 and December 31, 2017".
3. It is further alleged that late Mr. Shriram served as a 'Special Advisor' to the Company (and not as an employee). The Said Notice alleges that I neither sought any advice from late Mr. Shriram in the identified emails, nor was any advice provided by him pursuant to such emails. Hence, it is suggested that the information shared was neither for a legitimate purpose, nor performance of late Mr. Shriram's duties/ fulfilment of his legal obligations. Furthermore, as late Mr. Shriram was not the Company's employee, him having access to quarterly estimates or any other financial information, enabled him to have possession of 'price sensitive information' of quarterly estimates. The same was not part of his mandate as 'Special Advisor'.
4. At the outset, I would like to inform your good offices I have filed the Settlement Application before SEBI, under the Settlement Regulations, in relation to the Said Notice. The present response to the Said Notice is without prejudice to the Settlement Application. I request your good offices to wait till the decision on the Settlement Application is arrived at before taking any next steps pursuant to the Said Notice.
5. I deny all allegations, averments and contentions raised against me in the Said Notice, which are patently false and misconceived. I was the CFO of the Company from November 5, 2015 to November 4, 2017. During this period, I carried out my duties in compliance with applicable laws, including but not limited to the SEBI Act and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015 ("PIT Regulations").
6. The Said Notice is premised on the purported trading done by certain suspected entities including late Mr. Shriram, in the Company's shares. It is alleged that late Mr. Shriram, based on unpublished price-sensitive information ("UPSI"), traded in the Company's securities allegedly in violation of the PIT Regulations. The trading period under investigation is identified as 'October 13, 2017 to November 24, 2017' ("Trading Period").
7. There has been no finding in the Said Notice that late Mr. Shriram acted in violation of the PIT Regulations and/or purportedly dealt with the Company's securities, based on UPSI. Moreover, no wrongful motive has been established in relation to the identified sale by late Mr. Shriram of the Company's shares.
8. Notwithstanding the above, it is alleged that I enabled late Mr. Shriram to be in possession of UPSI. Accordingly, it is alleged that I am guilty of violating Regulation 3(1) of the PIT Regulations and Section 12A(e) of the SEBI Act.
9. Regulation 3(1) of the PIT Regulations provides as under:
 3. Communication or procurement of unpublished price sensitive information.
10. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is **in furtherance of legitimate purposes, performance of duties or discharge of legal obligations**.
10. The above provision is inter alia intended to cast an obligation on all insiders who are essentially persons in possession of unpublished price sensitive information to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis. I submit that I have throughout acted in due compliance of the above obligation entrusted upon me.
11. Further, I have neither dealt with the Company's shares during the period identified nor did I, in any manner whatsoever, make any personal gain from the alleged sale by late Mr. Shriram of the Company's securities. In fact, there is no allegations to this effect in the Said Notice. Hence, I humbly submit that there is no cause for your good offices to proceed against me.

12. Without prejudice to the above, it is pertinent that I had sent the emails in question to late Mr. Shriram for a legitimate business purpose. Late Mr. Shriram was appointed as a 'Special Advisor' to the Company, as per an engagement letter dated October 2014, for a three-year term ending on October 19, 2017. Subsequently, he was reappointed for an additional three-year term until October 19, 2020, pursuant to an engagement letter dated September 11, 2017. Copies of the engagement letters are attached as **Annexure [I]**.
13. Late Mr. Shriram's decades-long contributions, including his tenure as Chairman and Managing Director of the Company until July 31, 2014, had been instrumental in the Company's growth. Further, his profound understanding of the Company's operations and industry intricacies made him the ideal 'Special Advisor' for guidance on operational, manufacturing, and business management matters, all serving vital roles in meeting the Company's business objectives and interests. As a result of his continued role as a 'Special Advisor', the Company had access to his vast experience and knowledge of the industry. Late Mr. Shriram's insight into the intricacies of the business were considered valuable by the Company owing to which he was engaged as the 'Special Advisor' even after his retirement from the position of Chairman and Managing Director of the Company. Certain critical matters as set out in his engagement letter(s) and relevant for the current purposes are set below:
- Advising on group strategy decisions;
 - aspects related to strategic oversight of sugar plants, distillery, cane development and chemical business of the Company; and
 - several other areas wherein late Mr. Shriram's inputs will enhance the quality of the decisions and proposed actions.
14. I was of the bona fide view that late Mr. Shriram required the information, which I shared with him in the emails identified by your good offices, to provide his inputs and perform his role as the 'Special Advisor' to the Company. In this regard, it is pertinent that late Mr. Shriram provided critical inputs regarding the Company's working capital requirements in an email dated June 19, 2017 (attached as **Annexure [II]**). In response to this query, I had shared the working capital requirements of the Company through an email dated June 20, 2017. This email has been mentioned by your good offices.
15. Apart from email correspondences, late Mr. Shriram was a permanent invitee to the Company's Audit Committee, and regularly attended these meetings wherein he provided his invaluable insights. The emails were issued to seek his advice and counsel on numerous matters and enable him to advise the Company in compliance with his obligations as a 'Special Advisor' to the Company.
16. In light of the foregoing, it is respectfully submitted that the emails issued by me were driven by genuine corporate objectives, for lawful business reasons and 'legitimate purpose'.
17. In any event, it is pertinent that at the time when the trades were made, the Company's quarterly estimates in question had already been disclosed to the stock exchanges in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. A summary of the timeline is set out below:

Description	Date on which I shared information with late Mr. Shriram	Date of stock exchange disclosure
Q4 of FY 16-17 (quarter ending on March 31, 2017)	April 20, 2017	June 9, 2017
Q1 of FY 17-18 (quarter ending on June 30, 2017)	August 3, 2017	September 11, 2017

18. As already brought out above, as well as identified in the Said Notice, late Mr. Shriram only started trading the Company's securities from October 2017. Accordingly, as of the Trading Period, no UPSI pertaining to the quarterly financial results of the Company could have existed with late Mr. Shriram, as the same were already disclosed by the Company to the stock exchanges. Moreover, certain key line items (such as 'income from operations' and 'total expenses') as set out in quarterly financial estimates shared by me with late Mr. Shriram on April 20, 2017, and August 3, 2017, significantly differed from those disclosed to the stock exchange.

Copies of the abovementioned disclosures made to the stock exchanges is annexed at **Annexure [III]** hereto. A summary of the differences between the quarterly estimates shared and the financials disclosed on the stock exchange(s) is also set out in **Annexure [IV]** hereto.

19. It is trite law that once the information is disclosed in the public domain/ is generally known, the said trade cannot be said to be done while in possession of any UPSI. [Rakesh Agarwal v. SEBI, [2004]49SCL351(SAT), Para 138; In Re: Mr. Neeraj Jain, Adjudication Order No. PB/AO-16/2011, Para 13; In the matter of selective disclosure of unpublished price sensitive information by Mannapuram Finance Ltd., In respect of BNP Paribas Asset Management (I) P Ltd, Adjudication Order No. Order/VV/JR/2019-20/7330, Para 25; In the matter of selective disclosure of unpublished price sensitive information by Mannapuram Finance Ltd., In respect of IDFC Asset Management Company Ltd, Adjudication Order No. Order/VV/JR/2019-20/ 7331, Para 25].

20. Additionally, it is alleged that I had shared price sensitive information such as cash flow estimates, sugar sales review, and working capital requirements with late Mr. Shriram during the financial year 2017-2018. It is pertinent that the information shared with late Mr. Shriram were merely estimates and projections prepared by the Company's management in relation to the Company's business performance. These projections and estimates varied significantly each month. Hence, the same cannot be considered as UPSI since such projections and estimates are not reliable source of information basis which late Mr. Shriram could have executed the trades during the Trading Period. In fact, on multiple occasions, the actual figures greatly varied on estimates, as is the case with most corporates. Late Mr. Shriram being a Special Advisor to the Company, as also having played an integral part of the management of the Company in the past was surely aware that late Mr. Shriram could not have relied upon such estimates. I submit that no prudent man would rely on management projections and estimates, which are subject to change, to carry out trades.

An indicative summary of the variations in the 'inflows' as projected by the management in the emails shared by me are set out in the table attached at **Annexure [V]** hereto.

21. In view of the above, no case as is alleged in the Said Notice is made out against me. I most humbly submit that I have acted in accordance with and within the statutory framework of applicable laws. Particularly, I have not committed any violation of the PIT Regulations and/or any provisions of the SEBI Act. Accordingly, I humbly request your good offices to withdraw the Said Notice and take no steps pursuant to the Said Notice against me.

...."

Noticee 2 submissions dated November 24, 2023

"....

I, Mr. Bharat B Mehta, am in receipt of the Said Notice and respond to you as under:

1. The Said Notice indicates that your good offices have initiated adjudication proceedings inter alia against me, as the Chief Financial Officer ("CFO") of Mawana Sugars Limited ("Company"), under Section 15G of the Securities and Exchange Board of India Act, 1992 ("SEBI Act").
2. It is particularly alleged that I purportedly communicated unpublished price-sensitive information ("UPSI") pertaining to advanced quarterly estimates of the Company for the quarter ended on December 31, 2017, to late Mr. Siddharth Shriram.
3. It is further alleged that late Mr. Shriram served as a 'Special Advisor' to the Company (and not as an employee). The Said Notice alleges that I did not seek any advice from late Mr. Shriram in the identified email. Hence, it is suggested that the information shared was neither for a legitimate purpose, nor performance of late Mr. Shriram's duties/ fulfilment of his legal obligations. Furthermore, as late Mr. Shriram was not the Company's employee, him having access to quarterly estimates or any other financial information, enabled him to have possession of 'price sensitive information' of quarterly estimates. The same was not part of his mandate as 'Special Advisor'.
4. At the outset, I would like to inform your good offices I have filed the Settlement Application before SEBI, under the Settlement Regulations, in relation to the Said Notice. The present response to the Said Notice is without prejudice to the Settlement Application. I request your good offices to wait till the decision on the Settlement Application is arrived at before taking any next steps pursuant to the Said Notice.
5. I deny all allegations, averments and contentions raised against me in the Said Notice, which are patently false and misconceived. I joined the Company as the CFO on November 1, 2017 and have been carrying out my duties in compliance with and as per applicable laws, including but not limited to the SEBI Act and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015 ("PIT Regulations"). Further, I have neither dealt with the Company's shares during the period identified nor made any personal gain from the alleged sale by late Mr. Shriram of the Company's securities.
6. Moreover, the email identified by your good offices, namely, email dated January 12, 2018, was sent by me to late Mr. Shriram after the trading period under investigation. The same is identified as 'October 13, 2017 to November 24, 2017' ("Trading Period"). Hence, any trade done during the Trading Period could not be influenced by/ based on information contained in the email issued by me. No other correspondence/ information shared by me has been identified in the SCN relating to the Trading Period. Hence, there is no cause for your good offices to proceed against me.
7. Further, the Said Notice is premised on the purported trading done by certain suspected entities including late Mr. Shriram, in the Company's shares. It is alleged that late Mr. Shriram, based on UPSI, traded in the Company's securities allegedly in violation of the PIT Regulations. There has been no finding however in the Said Notice that late Mr. Shriram acted in violation of the PIT Regulations and/or purportedly dealt with the Company's securities, based on UPSI. Moreover, no wrongful motive has been established in relation to the identified sale by late Mr. Shriram of the Company's shares.

8. *Notwithstanding the above, it is alleged that I enabled late Mr. Shriram to be in possession of UPSI. Accordingly, it is alleged that I am guilty of violating Regulation 3(1) of the PIT Regulations and Section 12A(e) of the SEBI Act.*
9. *Late Mr. Shriram's decades-long contributions, including his tenure as Chairman and Managing Director of the Company until July 31, 2014, had been instrumental in the Company's growth. Further, his profound understanding of the Company's operations and industry intricacies made him the ideal 'Special Advisor' for guidance on operational, manufacturing, and business management matters, all serving vital roles in meeting the Company's business objectives and interests. As a result of his continued role as a 'Special Advisor', the Company had access to his vast experience and knowledge of the industry. Late Mr. Shriram's insight into the intricacies of the business were considered valuable by the Company owing to which he was engaged as the 'Special Advisor' even after his retirement from the position of Chairman and Managing Director of the Company. Copies of the engagement letters are attached as Annexure I. Certain critical matters as set out in his engagement letter(s) and relevant for the current purposes are set below:*
 - a. *Advising on group strategy decisions;*
 - b. *aspects related to strategic oversight of sugar plants, distillery, cane development and chemical business of the Company; and*
 - c. *several other areas wherein late Mr. Shriram's inputs will enhance the quality of the decisions and proposed actions.*
10. *I was of the bona fide view that late Mr. Shriram required the information, which I shared with him in the email identified by your good offices, to provide his inputs and perform his role as the 'Special Advisor' to the Company.*
11. *Apart from email correspondences, late Mr. Shriram was a permanent invitee to the Company's Audit Committee, and regularly attended these meetings wherein he provided his invaluable insights. The email was issued to seek his advice and counsel on numerous matters and enable him to advise the Company in compliance with his obligations as a 'Special Advisor' to the Company.*
12. *In light of the foregoing, it is respectfully submitted that the emails issued by me were driven by genuine corporate objectives, for lawful business reasons and 'legitimate purpose'.*
13. *In any event, the said information was consequently disclosed by the Company to the stock exchanges on February 13, 2018, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, certain key line items (such as 'income from operations' and 'total expenses') as set out in quarterly financial estimates shared by me with late Mr. Shriram on January 12, 2018, significantly differed from those disclosed to the stock exchange. Copy of the abovementioned disclosure made to the stock exchange is annexed at Annexure II hereto. A summary of the differences between the quarterly estimate shared and the financials disclosed on the stock exchange(s) is also set out in Annexure III hereto.*
14. *In view of the above, no case as is alleged in the Said Notice is made out against me. I most humbly submit that I have acted in accordance with and within the statutory framework of applicable laws. Particularly, I have not committed any violation of the PIT Regulations and/or any provisions of the SEBI Act. Accordingly, I humbly request your good offices to withdraw the Said Notice and take no steps pursuant to the Said Notice against me.*

...

Noticee 3 submissions dated November 24, 2023 /December 01, 2023:

“ ...

1. I write to you with reference to the SCN which inter alia alleges that I purportedly failed to (a) administer the 'Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information' ("Code of Conduct") of Mawana Sugars Limited ("Company"); and (b) monitor compliance of the Code of Conduct.

2. The SCN is premised on the alleged trading inter alia undertaken by late Mr. Siddharth Shriram of the Company's shares, during the period October 13, 2017 to November 24, 2017 ("Trading Period"), purportedly based on unpublished price sensitive information ("UPSI"). In this regard, it is alleged that late Mr. Shriram was a 'Special Advisor' of the Company and not an employee. Hence, it was my duty to ensure that he was provided sensitive company information, particularly UPSI, on a need to know basis. Accordingly, it is alleged that I have acted in violation of Regulation 9(3) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations") and Section 12A(e) of the Securities and Exchange Board of India Act, 1992 ("SEBI Act").

3. At the outset, I would like to inform your good offices that I have filed the Settlement Application before SEBI, under the Settlement Regulations, in relation to the SCN. The present response to the SCN is without prejudice to the Settlement Application. I request Your good offices to wait till the decision on the settlement Application is arrived at before taking any next steps pursuant to the SCN.

4. I Vehemently deny all allegations raised against me in the SCN. I have been carrying out my duties as the Company Secretary and Compliance Officer of the Company in accordance with applicable laws and implementing and ensuring compliance with the Code of Conduct. I have not committed any contravention, as alleged or otherwise.

5. It is further pertinent that I have neither dealt with the Company's shares during the period identified in the SCN nor has he in any manner whatsoever made any personal gain from the alleged sale by late Mr. Shriram of the Company's securities. In fact, there is no allegations to this effect in the SCN. Moreover, as Compliance Officer of the Company I do not regularly deal with the financial affairs of the Company, including in the nature of information in the identified emails. In fact, I was not even marked on the emails identified by your good offices, which were issued by Dr. Arora and Mr. Mehta, to late Mr. Shriram. Therefore, I am not aware of any communication in this regard. Hence, I humbly submit that there is no cause for your good offices to proceed against me.

6. As detailed above, the SCN is premised on the purported trading done by late Mr. Shriram, in the Company's shares purportedly based on UPSI. However, there has been no finding in the SCN that late Mr. Shriram acted in violation of the SEBI PIT Regulations and/or purportedly dealt with the Company's securities, based on UPSI. Moreover, no wrongful motive has been established in relation to the identified sale by late Mr. Shriram of the Company's shares. Hence, the very foundation of the SCN is not made. Therefore, it is submitted that the SCN is misconceived.

7. Further, as per the terms of Regulation 3(1) of SEBI PIT Regulations, UPSI can be communicated with any person, so long as such information is shared in furtherance of legitimate purpose, performance of duties or discharge of legal obligations'. The relevant extract of the SEBI PIT Regulations is set out below for your ready reference:

Communication or procurement of unpublished price sensitive information.

3.(1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of Legitimate purpose, performance of duties or discharge of legal obligations.

8. The above provision is inter alia intended to cast an obligation on all insiders who are essentially persons in possession of unpublished price sensitive information to handle such information with care and to deal with the information with them when transacting their business strictly on need to know basis. I submit that I have throughout acted in due compliance of the above obligation entrusted upon me.

9. Additionally, as per the terms of paragraph 5 of the Code of Conduct, UPSI can be communicated in furtherance of legitimate purposes or for performance of duties. The relevant extract of the Code of Conduct is reproduced below:

5. Unpublished price sensitive information on Need-to-know basis

Unpublished price sensitive information shall be handled on a 'Need-to-know' basis i.e. unpublished price sensitive information shall be disclosed only to those where such communication is in furtherance of a legitimate purpose, performance of duties or discharge of legal obligations.

[Emphasis Supplied]

10. The identified emails were shared with late Mr. Shriram for legitimate business purposes. Late Mr. Shriram was appointed as a 'Special Advisor' to the Company, as per an engagement letter dated October 2014, for a three-year term ending on 19.10.2017. Subsequently, he was reappointed for an additional three-year term until 19.10.2020, pursuant to an engagement letter dated September 11, 2017. Copies of the engagement letters are attached as Annexure I.

11. Late Mr. Shriram's decades-long contributions, including his tenure as Chairman and Managing Director of the Company until 31.07.2014, had been instrumental in the Company's growth. Further, his profound understanding of the Company's operations and industry intricacies made him the ideal 'Special Advisor' for guidance on operational, manufacturing, and business management matters, all serving vital roles in meeting the Company's business objectives and interests. As a result of his continued role as a 'Special Advisor', the Company had access to his vast experience and knowledge of the industry. Late Mr. Shriram's insight into the intricacies of the business were considered valuable by the Company owing to which he was engaged as the 'Special Advisor' even after his retirement from the position of Chairman and Managing Director of the Company. Certain critical matters as set out in his engagement letter(s) and relevant for the current purposes are set below:

- Advising on group strategy decisions;
- aspects related to strategic oversight of Sugar Plants, Distillery, Cane Development and chemical business of the Company; and
- several other areas wherein late Mr. Shriram's inputs will enhance the quality of the decisions and proposed actions.

12. In this regard, it is pertinent that late Mr. Shriram had sought information and provided critical inputs regarding the Company's working capital requirements in an email dated June 19, 2017 (attached as II)

13. In response to this query, Dr Anil Arora (Noticee No. I) had shared the working capital requirements of the Company through an email dated June 20, 2017, which email has been relied upon by your good offices.

14. Apart from email correspondences, late Mr. Shriram was a permanent invitee to the Company's Audit Committee and regularly attended these meetings wherein he provided his invaluable insights. The identified emails were issued to him for the purposes of seeking his advice and counsel on numerous matters and to enable him to provide such advice in furtherance of his obligations as a 'Special Advisor' to the Company.

15. Hence, I humbly submit that the communication was driven by genuine corporate objectives and for lawful business reasons and 'legitimate purpose'.

16. In any event, it is pertinent that at the time when the trades were made, the Company 'quarterly estimates in question had already been disclosed to the stock exchanges in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. A summary of the timeline is set out below:

Description	Date on which I shared information with late Mr. Shriram	Date of stock exchange disclosure
Q4 of FY 16-17 (quarter ending on March 31, 2017)	April 20, 2017	June 9, 2017

Q1 of FY 17-18 (quarter ending on June 30, 2017)	August 3, 2017	September 11, 2017
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17. As already brought out above, as well as identified in the SCN, late Mr. Shriram only started trading the Company's securities from October 2017. Accordingly, as of the Trading Period, no UPSI pertaining to the above quarterly financial results of the Company could have existed with late Mr. Shriram, as the same were already disclosed by the Company to the stock exchanges. Moreover, certain key line items (such as 'income from operations' and 'total expenses') as set out in quarterly financial estimates shared by Dr. Arora, with late Mr. Shriram on April 20, 2017, and August 3, 2017, significantly differed from those disclosed to the stock exchange.

Copies of the abovementioned disclosures made to the stock exchanges is annexed at Annexure III hereto. A summary of the differences between the quarterly estimates shared and the financials disclosed on the stock exchange(s) is also set out in Annexure IV hereto.

18. It is trite law that once the information is disclosed in the public domain/ is generally known, the said trade cannot be said to be done while in possession of any UPSI. [Rakesh Agarwal v. SEBI, [2004]49SCL351 (SAT); In Re: Mr. Neeraj Jain, Adjudication Order No. PB/ A0- 16/2011, Para 13; In the matter of selective disclosure of unpublished price sensitive information by Mannapuram Finance Ltd., In respect of BNP Paribas Asset Management (I) P Ltd, Adjudication Order No. Order/VV/JR/2019-207330, Para 25; In the matter of selective disclosure of unpublished price sensitive information by Mannapuram Finance Ltd., In respect of IDFC Asset Management Company Ltd, Adjudication Order No. Order/VV/JR/2019-207331, Para 25].

19. Additionally, it is alleged that price sensitive information such as cash flow estimates, sugar sales review, and working capital requirements was shared with late Mr. Shriram during the financial year 2017-2018. It is pertinent that the information shared with late Mr. Shriram were merely estimates and projections prepared by the Company's management in relation to the Company's business performance. These projections and estimates varied significantly each month. Hence, the same cannot be considered as UPSI since such projections and estimates are not reliable source of information basis which late Mr. Shriram could have executed the trades during the Trading Period. In fact, on multiple occasions, the actual figures greatly varied on estimates, as is the case with most corporates. Late Mr. Shriram being a Special Advisor to the Company, as also having played an integral part of the management of the Company in the past was surely aware that late Mr. Shriram could not have relied upon such estimates. I submit that no prudent man would rely on management projections and estimates, which are subject to change, to carry out trades.

An indicative summary of the variations in the 'inflows' as projected by the management in the emails shared by me are set out in the table attached at Annexure [V] hereto.

20. In view of the above, it is humbly submitted that there has been no lapse in implementing the Code of Conduct, which has been administered and implemented in true meaning and spirit by me. The identified information was shared with late Mr. Shriram for a legitimate purpose and performance of his duties as permitted by the Code of Conduct, as part of his mandate as the Company's Special Advisor.

21. In view of the above, no case as is alleged in the SCN is made out against me. I most humbly submit that I have acted in accordance with and within the statutory framework of applicable laws. Particularly, I have not committed any violation of the Code of Conduct, SEBI PIT Regulations and/or any provisions of the SEBI Act. Accordingly, I humbly request your good offices to withdraw the SCN and take no steps pursuant to the SCN against me.

... ”

Common additional submissions dated December 15, 2023 by Noticees

“ ...

1. The present written submissions are being filed on behalf of Dr. Anil Arora ("Noticee 1"), Mr. Bharat B. Mehta ("Noticee 2") and Mr. Ashok Kumar Shukla ("Noticee 3") pursuant to the directions issued by your good offices at the hearing held on December 5, 2023. (Noticee 1, Noticee 2 and Noticee 3 are collectively referred to as "Noticees").
2. These submissions should be read along with the individual responses to the Said Notice submitted by the Noticees, copies of which are attached as Document 1 (collectively referred to as "Replies" and individually as "Reply"). For the sake of brevity, the Noticees have opted not to reiterate the contents of those responses within this submission. However, we would request that those be considered as an integral part of these written submissions.
3. Settlement Application

As mentioned during the hearing, it is pertinent to note that Noticees 1-3 have filed the settlement application bearing reference nos. 100431, 100430 and 100432, respectively, before the Securities Exchange Board of India ("SEBI"). The applications are hereinafter collectively referred to as "Settlement Applications". The Settlement Applications have been filed under the SEBI (Settlement Proceedings) Regulations, 2018, with the request to settle the matter. The Noticees submit that their participation in the present proceedings is without prejudice to the Settlement Applications. The Noticees further request your good offices to wait till the decision on the Settlement Applications is arrived at before taking any next steps in relation to the Said Notice.

4. **No trading undertaken by the Noticees & No underlying intention to gain unfair advantage using UPSI established**

- 4.1. The Noticees submit that the Said Notice is premised on the purported trading done by certain suspected entities including late Mr. Siddharth Shriram, in the shares of Mawana Sugars Limited ("Company") during the period 'October 13, 2017 to November 24, 2017' ("Trading Period"). It is pertinent to note that there is no finding in the Said Notice that late Mr. Shriram acted in violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") and/or purportedly dealt with the Company's securities, based on UPSI. Moreover, no wrongful motive has been established in relation to the identified sale by late Mr. Shriram of the Company's shares.
 - 4.2. Additionally, the Noticees have neither dealt with the Company's shares during the Trading Period nor have they, in any manner whatsoever, made any personal gain from the alleged sale by late Mr. Shriram of the Company's securities. In fact, there is no allegations to this effect in the Said Notice.
 - 4.3. In the present case, no intention of gaining unfair advantage has been established with respect to late Mr. Shriram. Further, given his untimely demise due to COVID-19, investigations if any, pending against him ought to be abated given the above practice.
 - 4.4. It is reiterated that Noticees 1-3 have neither dealt with the Company's shares during the Trading Period nor did they, in any manner whatsoever, make any personal gain from the alleged sale by late Mr. Shriram of the Company's securities. In fact, there are no allegations to this effect in the Said Notice.
 - 4.5. Thus, it is most humbly submitted that Noticees 1-3 have acted in accordance with and within the statutory framework of applicable laws. Particularly, they have not committed any violation of the PIT Regulations and/or any provisions of the SEBI Act, 1992 ("SEBI Act"). Hence, there is no cause to proceed against the Noticees 1-3. The Noticees humbly submits that the Said Notice ought to be withdrawn and no adverse action ought to be taken against Noticees 1-3.
5. Information shared for a legitimate purpose
 - 5.1. In any event, as explained in the hearing and detailed below, the information identified in the Said Notice was shared with late Mr. Shriram for a 'legitimate purpose'. Such actions were in compliance with the statutory mandate contained in Regulation 3(1) of the PIT Regulations.
 - 5.2. Significant & Complex Role as Special Advisor and extensive interaction with third parties such as governmental authorities, banking institutions and industry associations.
 - 5.2.1. Late Mr. Shriram served as the Company's Managing Director until July 31, 2014, playing a pivotal role in its expansion and development. As the Managing Director, late Mr. Shriram possessed a keen understanding of interpreting and analysing financial statements. Further, before assuming his position within the Company, he gained invaluable experience as an investment banker at Citi Bank during the initial phase of his career. Following his retirement, he was appointed as a 'Special Advisor' to offer the Company guidance on various matters including the following:
 - a) advising on group strategy decisions,
 - b) providing strategic oversight concerning sugar plants, distilleries, cane development, and the chemical business of the Company; and
 - c) contributing expertise to various other areas where Mr. Shriram's insights were deemed valuable in elevating the quality of decision-making and proposed actions.
- Copies of his engagement letters for the period commencing October 20, 2014, to October 19, 2017, and October 20, 2017, to October 19, 2020 have already been provided as Annexure I of the replies filed by the Noticees to the Said Notice. Further, copies of the board resolutions dated October 20, 2014, and September 11, 2017, approving his appointment as 'Special Advisor' as annexed at Document 2 hereto.
- 5.2.2. The significance of late Mr. Shriram's position as a 'Special Advisor' and the width and scope of his engagement becomes evident from a perusal of the engagement letter itself. The engagement letters categorically record that late Mr. Shriram had been with the Company for a period of "more than 40 years and are a repository of deep knowledge about various activities related to Company's Sugar, Distillery, Chemical and Industrial Estate businesses including, inter alia, manufacturing, operation, business management and dealing with external environment. As the Company is going through a very tough time, we need your advise on various matters for efficient management of these business in these very difficult time."
 - 5.2.3. Further it is self-evident from the engagement letters that the expectations from late Mr. Shriram were very broad. Moreover, it is widely recognized that the sugar industry, especially in the Uttar Pradesh region, is intricately complex, given its reliance on multiple factors such as government pricing of sugar and cane pricing. As explained during the hearing, one of the areas of concern affecting the sugar industry was the high price of cane (state advised price-SAP) as compared to the relatively un-remunerative market price of sugar. This was a very important area where late Mr. Shriram was deeply involved to convince the Central & State Government authorities to implement the revenue sharing formula as recommended by Rangarajan Committee in its report. In this regard, late Mr. Shriram had been in active discussions with the Department of Food & Public Distribution, Government of India and the Government of Uttar Pradesh to formulate a 'Sugarcane price linked with Sugar price formula'. Copies of the letters dated March 17, 2017 and August 1, 2017 submitted by late Mr. Shriram on behalf of the Company before the Hon'ble Prime Minister of India, the President of Bhartiya Janta Party, the Chief Minister of Uttar Pradesh, Chief Secretary of Government of Uttar Pradesh, the Principal Secretary, Sugar Industries and Cane Development and the Cane Commissioner of Uttar Pradesh are annexed as Document 3.
 - 5.2.4. Apart from engaging with governmental authorities, late Mr. Shriram, in his capacity as 'Special Advisor' frequently interacted with the representatives from banking institutions and industry associations on various matters including on one-time settlement proposals, release of encumbrances on Company's assets, formulation of 'Sugarcane price linked Sugar price formula' etc. Copies of the letters dated December 14, 2016, April 25, 2017 and May 9, 2017 submitted by late Mr. Shriram with Punjab National Bank and State

Bank of India are annexed as Document 4. Copy of letter dated October 31, 2017 submitted by late Mr. Shriram with Director General, Indian Sugar Mills Association is annexed as Document 5.

- 5.2.5. As all such discussions with the governmental authorities, banking institutions and industry associations could arise unexpectedly. It required that late Mr. Shriram had the necessary financial data and other information regarding the Company, its performance, production in his possession to be able to use in such meetings and/or discussions to reinforce the issues being faced, including by reference to its financial position of the Company.
- 5.2.6. The Noticees were well aware that late Mr. Shriram engaged in such discussions with governmental authorities, banking institutions and industry associations and thus, acting in good faith, believing that providing this information would assist and bolster late Mr. Shriram in his discussions with governmental authorities, routinely supplied late Mr. Shriram with comprehensive Company information including financial information.

5.3. Information shared on a Routine Basis.

- 5.3.1. It is pertinent to note that of the information shared, only the information pertaining to advance quarterly estimates of the Company have been alleged to be price-sensitive. In this regard, it is relevant to note that apart from quarterly estimates, Company information including financial information such as cash flow estimates, sugar sales review, working capital requirements were routinely and regularly shared by Noticee 1 and Noticee 2 with late Mr. Shriram. This sharing of information was not timed to coincide with, or synchronized, or contingent upon occurrence of a particular event.
- 5.3.2. As responsible officers of the Company, Noticee 1 and Noticee 2 provided this information on the bona fide belief that its availability with late Mr. Shriram will assist him in discharging of his role as a 'Special Advisor', including assisting him in his meetings/engagements with governmental authorities, banking institutions and industry associations and otherwise from time to time. Illustrative evidence of some such interactions by him which would benefit the company are enclosed at paragraph 5.2.3 and paragraph 5.2.4 above.

5.4. Advice provided consistently and not limited to written responses

- 5.4.1. The Said Notice alleges that while Noticee 1 and Noticee 2 provided information, no advice was sought from late Mr. Shriram. In this regard, it is important to consider that due to late Mr. Shriram's seniority and extensive experience, expecting him to respond to every communication or provide advice solely through emails would be unreasonable. Besides, given his extensive experience and role there could be many areas that he could think of for the benefit of the company by reviewing the information provided to him even though the specific issue may not have been posed to him.
- 5.4.2. Given his stature, experience and wide mandate as 'Special Advisor', late Mr. Shriram's advisory role extended beyond written responses and often included verbal guidance either over the phone or during meetings. These verbal consultations occurred either upon request by Company officials or were initiated proactively by late Mr. Shriram himself. The Noticees affirm having engaged in verbal consultations with late Mr. Shriram on multiple occasions.
- 5.4.3. Moreover, late Mr. Shriram was also a permanent invitee to the Company's Audit Committee and regularly attended its meetings. He also attended certain meetings of the board of directors, wherein he provided his invaluable insights. Copies of minutes of certain audit committee and board meetings attended by late Mr. Shriram are collectively annexed at Document 6 hereto.

5.5. Disclosures and no objections from authorities

In his capacity as "Special Advisor", late Mr. Shriram received a monthly remuneration of INR 6,75,000 (exclusive of GST) from October 20, 2014 to October 19, 2017 and subsequently received INR 12,00,000 (exclusive of GST) from October 20, 2017, until his demise. Given that these transactions were undertaken amongst related parties, appropriate disclosures were made by the Company in its Annual Report for the relevant years. Further, appropriate deductions including TDS were made by the Company while disbursing such payments, and till date there have been no disputes raised by any authorities concerning these payments. This stands as clear evidence of the genuine nature of the services rendered by late Mr. Shriram to the Company

5.6 Conclusion

Thus, in conclusion, considering the pivotal role played by late Mr. Shriram, it was essential for the Company and its officials (including Noticee 1 and Noticee 2) to consistently furnish him with regular and relevant information. This enabled late Mr. Shriram to effectively discharge his responsibilities as a Special Advisor. Therefore, it is respectfully submitted that the information shared with late Mr. Shriram served 'legitimate purposes' as permitted under Regulation 3(1) of the PIT Regulations.

6. Evidence of late Mr. Shriram's signature

During the hearing, the Hon'ble Assessing Officer, had requested a confirmation regarding late Mr. Shriram's signature as set out in his engagement letters with the Company. Documents 3, 4, and 5 submitted herewith contain late Mr. Shriram's signature, which the Noticees affirm to be authentic. These documents can therefore also serve as a proof of his signature.

7. Issuance of the Said Notice by your good offices:

The General Manager and Adjudicating Officer, Enquiries and Adjudication Department – 5, SEBI has issued Said Notice inter alia alleging as under:

Noticee 1, erstwhile Chief Financial Officer (“CFO”) CFO from November 5, 2015 – November 4, 2017	Noticee 2, CFO CFO from November 4, 2017 to March 14, 2023	Noticee 3, Company’s Company Secretary and Compliance Officer
<p>It is alleged that he:</p> <p>(a) communicated UPSI relating to the advanced quarterly estimate (“QE”) of March 31, 2017 and June 30, 2017, of the Company to late Mr. Siddharth Shriram; and</p> <p>(b) allowed late Mr. Shriram to have access to UPSI related to the estimates for QE September 30, 2017 and December 31, 2017.</p> <p>It is alleged this conduct was in violation of Regulation 3(1) of the PIT Regulations and Section 12A(e) of the SEBI Act.</p>	<p>It is alleged that he communicated UPSI relating to advanced QE December 31, 2017, to late Mr. Shriram in January 2018.</p> <p>It is alleged that this conduct was in violation of Regulation 3(1) of the PIT Regulations, 2015 and Section 12A(e) of the SEBI Act.</p>	<p>It is alleged that he failed to (a) ensure that late Mr. Shriram did not have access to UPSI, which was not part of his mandate as a Special Advisor; and (b) administer the Code and monitor compliance with the Code’s requirements.</p> <p>It is alleged that this conduct was in violation of Regulation 9(3) of the PIT Regulations and Section 12A(e) of the SEBI Act.</p>

Allegations against Noticee 1 do not constitute violation under the PIT Regulations and the SEBI Act:

- 7.1.1. *Noticee 1 has duly complied with his duties as a CFO. Information relating to the QEs were shared with late Mr. Shriram, for a legitimate purpose, as he was the Company’s Special Advisor. Noticee 1 for the reasons mentioned in paragraph 5 above, was of the bona fide view that late Mr. Shriram required the said information to effectively discharge his responsibilities as a Special Advisor of the Company.*
- 7.1.2. *It is pertinent that the information shared with late Mr. Shriram were merely estimates and projections prepared by the Company’s management in relation to the Company’s business performance. These projections and estimates varied significantly each month. Hence, the same cannot be considered as UPSI since such projections and estimates are not a reliable source of information basis which late Mr. Shriram could have executed the trades during the Trading Period. In fact, on multiple occasions, the actual figures greatly varied on estimates, as is the case with most corporates. Given late Mr. Shriram’s seniority and experience as being erstwhile Managing Director of the Company, Noticee 1 was always under the impression late Mr. Shriram was aware that information shared by him were management projections and estimates, which were subject to change, and therefore could not have been relied upon by late Mr. Shriram to carry out trades. As an example, certain key line items (such as ‘income from operations’ and ‘total expenses’) as set out in quarterly financial estimates shared by Noticee 1 with late Mr. Shriram on April 20, 2017, and August 3, 2017, significantly differed from those disclosed to the stock exchange. A summary of the differences between the quarterly estimates shared and the financials disclosed on the stock exchange is annexed as Annexure IV of Noticee 1’s reply to the 6 Said Notice.*
- 7.1.3. *In view of the foregoing, it is submitted that Noticee 1 has not acted contrary to the PIT Regulations and the SEBI Act and there is no cause of action to proceed against him.*

7.2. Allegations against Noticee 2 do not constitute violation under the PIT Regulations:

- 7.2.1. *Noticee 2 has duly complied with its duties as a CFO. Information relating to the quarterly estimates for the quarter ended December 2017 were shared with late Mr. Shriram, for a legitimate purpose, as he was a ‘Special Advisor’ to the Company. Noticee 2 for the reasons mentioned in paragraph 5 above was of the bona fide view that late Mr. Shriram required the said information to effectively discharge his responsibilities as a Special Advisor.*
- 7.2.2. *In any event, the identified information in the Said Notice, namely, quarterly estimates for the quarter ended December 2017, were shared after the Trading Period. The same was disclosed to the stock exchange on February 13, 2018, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, certain key line items (such as ‘income from operations’ and ‘total expenses’) as set out in quarterly financial estimates shared by Noticee 2 with late Mr. Shriram on January 12, 2018, significantly differed from those disclosed to the stock exchange. A summary of the differences between the quarterly estimates shared by Noticee 2 and the financials disclosed on the stock exchange(s) is annexed as Annexure III of Noticee 2’s reply to the Said Notice.*
- 7.2.3. *In view of the foregoing, it is submitted that Noticee 2 has not acted contrary to the PIT Regulations and the SEBI Act and there is no cause of action to proceed against him.*
- 7.3. *Allegations against Noticee 3 do not constitute violation under the PIT Regulations:*

- 7.3.1. Noticee 3 has been complying with his obligations and implementing the Company's "Code of Practices and Procedures for fair disclosure of - Unpublished Price Sensitive Information" ("Code").
- 7.3.2. Further, Noticee 3 was not even marked on the emails identified in the Said Notice which were issued by Noticees 1-2, to late Mr. Shriram. Therefore, Noticee 3 was not aware of any communication in this regard. Accordingly, there is no cause to proceed against him.
- 7.3.3. Without prejudice to the above, as detailed in paragraph 5 above, the identified information was shared with late Mr. Shriram for a legitimate purpose. Moreover, as brought out above, certain information was already in the public domain. Even otherwise, Noticees 1-2 had merely shared estimates with late Mr. Shriram which differed from those which were finally filed with the stock exchanges.
- 7.3.4. In view of the above, it is humbly submitted that Noticee 3 has not acted contrary to the Code, PIT Regulations and the SEBI Act. Hence, there is no cause of action to proceed against him.

Thus, it is most humbly submitted that Noticees have acted in accordance with and within the statutory framework of applicable laws. Particularly, they have not committed any violation of the PIT Regulations and/or any provisions of the SEBI Act, 1992. Hence, there is no cause to proceed against the Noticees. The Noticees humbly submits that the Said Notice ought to be withdrawn and no adverse action ought to be taken against the Noticees.

...."

10. Pursuant to transfer of erstwhile AO and appointment of the undersigned as the AO, vide email dated October 06, 2025, an opportunity to file additional submission, if any, in regard to the SCN along with the relevant supporting documents was provided to the Noticees. Further, Noticees were asked whether they desire to avail opportunity of hearing. In this regard, Noticee 1 and 3 vide email dated October 08, 2025 and Noticee 3 vide email dated October 09, 2025 sought additional time to file additional submissions and requested to grant them personal hearing to present their case. Vide email dated October 13, 2025, Noticees were granted time to file additional submissions latest by October 25, 2025. Noticee 1, 2 and 3 filed their additional submissions vide email dated October 21, 2025, October 24, 2025 and October 23, 2025 respectively. Additional Replies filed by the Noticee No. 1 on 21.10.2025, Noticee No. 2 on 24.10.2025 and Noticee No. 3 on 23.10.2025 are reproduced below:

Noticee 1's additional submission dated October 21, 2025

"...

1. *I am filing the present additional reply, pursuant to the liberty granted to me by your good offices vide emails dated October 06, 2025 and October 13, 2025. The present reply ought to be read with and is in continuance of my 2023 Reply, and Written Submissions submitted to your good offices. Copies of the 2023 Reply and the Written Submissions, are annexed hereto.*
2. *At the outset, I once again deny the allegations, averments and contentions raised against me in the Said Notice, which are factually incorrect and misconceived. I further reiterate that in the Said Notice, no allegation has been raised against me of either dealing in the shares of Mawana Sugars Limited ("**Company**") during the investigation period or making any personal gain from the sale of the Company's identified shares by late Mr. Shriram.*
3. *As indicated earlier, I was the Chief Financial Officer ("**CFO**") of the Company from November 5, 2015 to November 4, 2017. I re-iterate that during this period, I carried out my duties in compliance with applicable laws,*

including but not limited to the Securities and Exchange Board of India Act, 1995 ("**SEBI Act**") and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015 ("**PIT Regulations**").

4. Further, as detailed below and set out in the 2023 Reply as well as the Written Submissions, the information identified by your good offices in the Said Notice, was shared by me with late Mr. Shriram, for legitimate business purposes, as he was the Company's Special Advisor. In fact, your good offices under order dated February 18, 2025, passed in respect of Mr. Krishna Shriram in the matter of Mawana Sugars Limited, has categorically acknowledged that late Mr. Shriram was a 'connected person' by virtue of being the Company's Special Advisor. Given the view taken by your good offices, there is now no cause for your good offices to proceed against me, in connection with the information shared by me with late Mr. Shriram in his capacity as the Company's Special Advisor, for legitimate business purposes. Copy of the order dated February 18, 2025, is annexed hereto.

Information shared on a routine basis for legitimate purposes:

5. I reiterate that the information identified in the Said Notice was shared with late Mr. Shriram for 'legitimate purpose' and such actions were in compliance with the statutory mandate contained in Regulation 3(1) of the PIT Regulations.
6. As detailed in the 2023 Reply and the Written Submissions, late Mr. Shriram was appointed as the Company's Special Advisor, in view of his vast experience and understanding of the sugar industry. In terms of his engagement letters dated October 20, 2014 and September 11, 2017 ("**Engagement Letters**"), late Mr. Shriram would advise the Company and its officers on various aspects inter alia relating to:
 - a. group strategy decisions;
 - b. strategic oversight concerning sugar plants, distilleries, cane development, and the chemical business of the Company; and
 - c. contributing expertise to various other areas where late Mr. Shriram's insights were deemed valuable in elevating the quality of decision-making and proposed actions.
4. In fact, as highlighted earlier, late Mr. Shriram was deeply involved in policy related discussions with the Central and State Government authorities and engaged with government officials on behalf of the Company. Pertinently, late Mr. Shriram on the Company's behalf, had engaged with the Department of Food & Public Distribution, Government of India, and with the Government of Uttar Pradesh, with a view to developing a sugarcane-pricing mechanism linked to sugar prices. He submitted detailed written representations, including letters dated March 17, 2017 and August 1, 2017, inter alia, addressed to the Hon'ble Prime Minister of India, the President of the Bharatiya Janata Party, the Chief Minister of Uttar Pradesh, the Chief Secretary, the Principal Secretary (Sugar Industries and Cane Development), and the Cane Commissioner of Uttar Pradesh. Copies of these communications have already been shared with your good offices with the Written Submissions.
5. Moreover, as a Special Advisor, late Mr. Shriram maintained regular engagement with lending institutions and industry associations on matters material to the Company and the sector. This is inter alia evident from letters dated December 14, 2016, April 25, 2017, and May 9, 2017 addressed to Punjab National Bank and State Bank of India as well as letter dated October 31, 2017, addressed to the Director General, Indian Sugar Mills Association. Copies of these communications have already been shared with your good offices with the Written Submissions.
6. Given the above crucial role played by late Mr. Shriram, it was necessary that late Mr. Shriram to have ready access to the Company's current financial and operational data, including its performance and production information. The knowledge of such information was critical for him to substantiate on the issues under discussion and to accurately contextualize the Company's financial position during such engagements with government and banking institutions.
7. In view of the above, I had in good faith and with the bona fide belief that such information was required to assist and strengthen his representations, shared the Company's information with him, in his capacity as the Company's Special Advisor.
8. Moreover, the Company would from time to time seek his advice and counsel on numerous matters, which was provided by him via email as well as during oral discussions. Accordingly, information including financial information such as cash flow estimates, sugar sales review, working capital requirements were routinely and regularly shared with him to enable him to perform his duty as the Company's Special Advisor.
9. In light of the foregoing, I reiterate that the information shared by me with late Mr. Shriram was for legitimate purposes, driven by genuine corporate objectives, for lawful business reasons and was not in contravention of applicable law. I further reiterate and emphasise that the sharing of such information was not timed to coincide with, or synchronized, or contingent upon occurrence of a particular event and was done in the ordinary course of business.

Identified quarterly estimates shared by me already disclosed when late Mr. Shriram made the trade:

10. Your good offices in the Said Notice have only categorised information pertaining to Company's advance quarterly estimates of the Company as being price-sensitive. It is alleged that I purportedly communicated unpublished price sensitive information ("**UPS**") relating to advanced quarterly estimates for quarter ending March 31, 2017 and June 30, 2017 to late Mr. Shriram. It is further alleged that I allowed late Mr. Shriram to have

access to UPSI relating to advanced quarterly estimates of quarters ending September 30, 2017 and December 31, 2017.

11. In this regard, as detailed in the 2023 Reply and Written Submissions, when late Mr. Shriram made the trades, the Company's quarterly estimates for quarter ending March 31, 2017 and June 30, 2017, had already been disclosed to the stock exchanges in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. Accordingly, as of the trading period, no UPSI pertaining to the Company's quarterly financial results could have existed with late Mr. Shriram, since these were already disclosed to the stock exchanges.
12. In any event, as explained in the 2023 Reply and Written Submissions, certain key line items mentioned in quarterly financial estimates shared by me with late Mr. Shriram on April 20, 2017, and August 3, 2017, significantly differed from those disclosed to the stock exchange.
13. As regards the allegation that I allowed late Mr. Shriram to have access to the advance quarterly estimates ending September 2017 and December 2017, it is pertinent that your good offices in the said Notice have failed to identify any email under which I have shared the same with late Mr. Shriram. Moreover, as indicated above, I ceased to be the Company's CFO with effect from November 2017. Consequently, there was no question of me sharing the advance quarterly estimates ending December 2017 of the Company with late Mr. Shriram. Accordingly, there is no merit in the allegations raised by your good offices in this regard.
14. In addition to the above, cash flow estimates, sugar sales review, and working capital requirements shared by me with late Mr. Shriram during the financial year 2017-2018, were merely estimates and projections prepared in relation to the Company's business performance. These projections and estimates varied significantly each month. Hence, the same cannot be considered as UPSI since such projections and estimates were not reliable source of information basis. No prudent man would rely on management projections and estimates, which are subject to change, to carry out trades.

Your good offices have taken the view that late Mr. Shriram was a connected person as he was a 'Special Advisor' of the Company:

15. Without prejudice to the above, I reiterate that given the view taken by your good offices under order dated February 18, 2025, there is now no cause for your good offices to proceed against me.
16. As indicated above, your good offices under order dated February 18, 2025, taken the view that late Mr. Shriram was a 'connected person' by virtue of being the Company's Special Advisor. Consequently, now there is no cause for your good offices to proceed against me, in connection with the information shared by me with late Mr. Shriram in his capacity as the Company's Special Advisor, which was shared for legitimate business purposes.
17. I reiterate that this information was shared with him for a legitimate purpose to enable him to perform his duties as a Special Advisor and that I have not committed any lapse in the performance of my obligations.
18. In view of the above, no case as is alleged in the Said Notice is made out against me. I most humbly reiterate that I have acted in accordance with and within the statutory framework of applicable laws. Particularly, I have not committed any violation of the PIT Regulations and/or any provisions of the SEBI Act. Accordingly, I humbly request your good offices to withdraw the Said Notice and take no steps pursuant to the Said Notice against me.
19. I remain committed to cooperating with and assisting your good offices in any and all manner as may be required by it under law. I also request your good offices to provide me an opportunity of an oral hearing, to enable me to further defend my case. This is in line with the principles of natural justice.
20. This additional reply is issued without prejudice to my rights under applicable law.

..."

Noticee 2's additional submissions dated October 24, 2025

"...

1. I am filing the present additional reply, pursuant to the liberty granted to me by your good offices vide emails dated October 06, 2025 and October 13, 2025. The present reply ought to be read with and is in continuance of my 2023 Reply, and Written Submissions submitted to your good offices. Copies of the 2023 Reply and the Written Submissions, are annexed as Annexure A and Annexure B hereto.
2. At the outset, I once again deny the allegations, averments and contentions raised against me in the Said Notice, which are factually incorrect and misconceived. I further reiterate that in the Said Notice, no allegation has been raised against me for either dealing in the shares of Mawana Sugars Limited ("Company") during the investigation

- period or making any personal gain from the sale of the Company's identified shares by late Mr. Shriram.
3. As indicated earlier, I joined the Company as the Chief Financial Officer ("CFO") from November 1, 2017. Notably, your good offices in the Said Notice has alleged that I communicated the advance quarterly estimates ending December 2017 of the Company to late Mr. Shriram. In this regard, it is pertinent that the advance quarterly estimates ending December 31, 2017 were only shared by me with late Mr. Shriram in January 2018 i.e., much after late Mr. Shriram's last trade in the shares of the Company on November 24, 2017. Accordingly, I humbly submit that the advance quarterly estimates ending December 31, 2017, have no bearing for the purposes of the present adjudication.
 4. In any event, I re-iterate that during this period, I carried out my duties in compliance with applicable laws, including but not limited to the Securities and Exchange Board of India Act, 1995 ("SEBI Act") and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015 ("PIT Regulations").
 5. Further, as detailed below and set out in the 2023 Reply as well as the Written Submissions, the information identified by your good offices in the Said Notice, was shared by me with late Mr. Shriram, for legitimate business purposes, as he was the Company's Special Advisor. In fact, your good offices under order dated February 18, 2025, passed in respect of Mr. Krishna Shriram in the matter of Mawana Sugars Limited, has categorically acknowledged that late Mr. Shriram was a 'connected person' by virtue of being the Company's Special Advisor. A connected person, by definition under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, is assumed to have, directly or indirectly, access to unpublished price sensitive information or is 'reasonably expected to have such access'. Given the view taken by your good offices, that late Mr. Siddharth Shriram was a connected person by virtue of being the Company's Special Advisor, underscores that he, directly or indirectly had access to unpublished price sensitive information or reasonably expected to have such access'. Therefore, there is now no cause for your good offices to proceed against me, in connection with the information shared by me with late Mr. Shriram in his capacity as the Company's Special Advisor, for legitimate business purposes. Copy of the order dated February 18, 2025, is annexed as Annexure C hereto.

Information shared on a routine basis for legitimate purposes:

6. I reiterate that the information identified in the Said Notice was shared by me with late Mr. Shriram for 'legitimate purpose' and such actions were in compliance with the statutory mandate contained in Regulation 3(1) of the PIT Regulations.
7. As detailed in the 2023 Reply and the Written Submissions, late Mr. Shriram was appointed as the Company's Special Advisor, in view of his vast experience and understanding of the sugar industry. In terms of his engagement letters dated October 20, 2014 and September 11, 2017 ("Engagement Letters"), late Mr. Shriram would advise the Company and its officers on various aspects inter alia relating to:
 - a. group strategy decisions;
 - b. strategic oversight concerning sugar plants, distilleries, cane development, and the chemical business of the Company; and
 - c. contributing expertise to various other areas where late Mr. Shriram's insights were deemed valuable in elevating the quality of decision-making and proposed actions.
8. In fact, as highlighted earlier, late Mr. Shriram was deeply involved in policy related discussions with the Central and State Government authorities and engaged with government officials on behalf of the Company. Pertinently, late Mr. Shriram on the Company's behalf, had engaged with the Department of Food & Public Distribution, Government of India, and with the Government of Uttar Pradesh, with a view to developing a sugarcane-pricing mechanism linked to sugar prices. He submitted detailed written representations, including letters dated March 17, 2017 and August 1, 2017, inter alia, addressed to the Hon'ble Prime Minister of India, the President of the Bharatiya Janata Party, the Chief Minister of Uttar Pradesh, the Chief Secretary, the Principal Secretary (Sugar Industries and Cane Development), and the Cane Commissioner of Uttar Pradesh. Copies of these communications have already been shared with your good offices with the Written Submissions.
9. Moreover, as a Special Advisor, late Mr. Shriram maintained regular engagement with lending institutions and industry associations on matters material to the Company and the sector. This is inter alia evident from letters dated December 14, 2016, April 25, 2017, and May 9, 2017 addressed to Punjab National Bank and State Bank of India as well as letter dated October 31, 2017, addressed to the Director General, Indian Sugar Mills Association. Copies of these communications have already been shared with your good offices with the Written Submissions.
10. Given the above crucial role played by late Mr. Shriram, it was necessary for late Mr. Shriram to have ready access to the Company's current financial and operational data, including its performance and production information. The knowledge of such information was critical for him to substantiate on the issues under discussion and to accurately contextualize the Company's financial position during such engagements with government and banking institutions.
11. In view of the above, I had in good faith and with the bona fide belief that such information was required to assist and strengthen his representations, shared the Company's information with him, in his capacity as the Company's Special Advisor.
12. Moreover, the Company would from time to time seek his advice and counsel on numerous matters. Accordingly, information including financial information such as availability of funds, sugar stocks and working capital requirements were shared with him to enable him to render appropriate advice to the Company from time to time.
13. In light of the foregoing, I reiterate that the information shared by me with late Mr. Shriram was for legitimate purposes, driven by genuine corporate objectives, for lawful business reasons and was not in contravention of applicable law. I further reiterate and emphasise that the sharing of such information was not timed to coincide

with, or synchronized, or contingent upon occurrence of a particular event and was done in the ordinary course of business.

Identified quarterly estimates being that of quarter ending December 31, 2017 shared by me has no bearing for the purposes of the present adjudication:

14. Your good offices in the Said Notice have only categorised information pertaining to Company's advance quarterly estimates of the Company as being price-sensitive. Specifically, it is alleged that I purportedly communicated unpublished price sensitive information ("UPSI") relating to advanced quarterly estimates for quarter ending December 31, 2017 to late Mr. Shriram.
15. In this regard, it is pertinent that that the advance quarterly estimates ending December 31, 2017 were only shared by me with late Mr. Shriram only on January 12, 2018 i.e., much after late Mr. Shriram's admitted last trade in the shares of the Company on November 24, 2017. Accordingly, I humbly submit that the advance quarterly estimates ending December 31, 2017, have no bearing for the purposes of the present adjudication.
16. In any event, the said information was consequently disclosed by the Company to the stock exchanges on February 13, 2018, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, certain key line items (such as 'income from operations' and 'total expenses') as set out in quarterly financial estimates shared by me with late Mr. Shriram on January 12, 2018, significantly differed from those disclosed to the stock exchange. Hence, the said information shared by me on January 12, 2018 cannot be considered to be UPSI. A summary of the differences between the quarterly estimates shared by me and the financials disclosed on the stock exchange(s) is annexed with the Written Submissions.

Your good offices have taken the view that late Mr. Shriram was a connected person as he was a 'Special Advisor' of the Company:

17. Without prejudice to the above, I reiterate that given the view taken by your good offices under order dated February 18, 2025, there is now no cause for your good offices to proceed against me.
18. As indicated above, your good offices under order dated February 18, 2025, taken the view that late Mr. Shriram was a 'connected person' by virtue of being the Company's Special Advisor and therefore had, directly or indirectly, access to the information or was reasonably expected to have such access. Consequently, there is no cause now for your good offices to proceed against me, in connection with the information shared by me with late Mr. Shriram in his capacity as the Company's Special Advisor, which was shared for legitimate business purposes.
19. I reiterate that this information was shared with him for a legitimate purpose to enable him to perform his duties as a Special Advisor and that I have not committed any lapse in the performance of my obligations.
20. In view of the above, no case as is alleged in the Said Notice is made out against me. I most humbly reiterate that I have acted in a bona fide manner in accordance with and within the statutory framework of applicable laws. Particularly, I have not committed any violation of the PIT Regulations and/or any provisions of the SEBI Act. Accordingly, I humbly request your good offices to withdraw the Said Notice and take no steps pursuant to the Said Notice against me.
21. I remain committed to cooperating with and assisting your good offices in any and all manner as may be required by it under law. I also request your good offices to provide me an opportunity of an oral hearing, to enable me to further defend my case. This is in line with the principles of natural justice.
22. This additional reply is issued without prejudice to my rights under applicable law.

... "

Noticee 3's additional submissions dated October 23, 2025

" ...

Respected Sir,

1. I am filing the present additional reply, pursuant to the liberty granted to me by your good offices vide emails dated October 06, 2025 and October 13, 2025. The present reply ought to be read with and is in continuance of my 2023 Reply and Written Submissions submitted to your good offices. Copies of the 2023 Reply and the Written Submissions, are annexed as Annexure A and Annexure B hereto.
2. At the outset, I once again deny the allegations, averments and contentions raised against me in the Said SCN, which are factually incorrect and misconceived. I further reiterate that in the Said SCN, no allegation has been raised against me for either dealing in the shares of Mawana Sugars Limited ("Company") during the

investigation period or making any personal gain from the sale of the Company's identified shares by late Mr. Shriram.

3. I have been carrying out my duties as the Company Secretary and the Compliance Officer of the Company in accordance with applicable laws, implementing and ensuring compliance with the Code of Conduct of the Company. Pertinently, as detailed in the 2023 Reply and the Written Submissions, as the Compliance Officer, I do not deal with the financial affairs of the Company, including the nature of information in the identified emails in the said SCN. In fact, I was not even marked on the emails identified by your good offices in the said SCN. Therefore, neither am I privy to such communication nor aware of any communication in this regard. Thus, there is no cause of action for your good offices to proceed against me.
4. Without prejudice to the above, your good offices under order dated February 18, 2025, passed in respect of Mr. Krishna Shriram in the matter of Mawana Sugars Limited, has categorically acknowledged that late Mr. Shriram was a 'connected person' by virtue of being the Company's Special Advisor. A connected person, by definition under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, is assumed to have, directly or indirectly, access to unpublished price sensitive information or is 'reasonably expected to have such access.' Given the view taken by your good offices that late Mr. Siddharth Shriram was a connected person by virtue of being the Company's Special Advisor, underscores that he, directly or indirectly had access to unpublished price sensitive information or reasonably expected to have such access'. Therefore there is now no cause for your good offices to proceed against me, in connection with the information shared with late Mr. Shriram in his capacity as the Company's Special Advisor, for legitimate business purposes. Copy of the order dated February 18, 2025, is annexed as Annexure C hereto.
Information shared on a routine basis for legitimate purposes:
5. The said SCN alleges that I have failed in my duty as the Compliance Officer and Company Secretary of the Company, by not ensuring that late Mr. Shriram was provided with sensitive company information only on a need-to-know basis. To this extent, the said SCN relies on Clause 5 of the Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information of the Company ("Code of Conduct").
6. In this regard, I reiterate that was never involved in alleged provision of UPSI and was not even marked on the emails identified by your good offices in the said SCN.
7. Without prejudice to the above, even the information identified in the Said SCN was shared with late Mr. Shriram for 'legitimate purpose' and such actions were in compliance with the statutory mandate contained in Regulation 3(1) of the PIT Regulations.
8. As detailed in the 2023 Reply and the Written Submissions, late Mr. Shriram was appointed as the Company's Special Advisor, in view of his vast experience and understanding of the sugar industry. In terms of his engagement letters dated October 20, 2014 and September 11, 2017 ("Engagement Letters"), late Mr. Shriram would advise the Company and its officers on various aspects inter alia relating to:
 - a. group strategy decisions;
 - b. strategic oversight concerning sugar plants, distilleries, cane development, and the chemical business of the Company; and
 - c. contributing expertise to various other areas where late Mr. Shriram's insights were deemed valuable in elevating the quality of decision-making and proposed actions.
9. In fact, as highlighted earlier, late Mr. Shriram was deeply involved in policy related discussions with the Central and State Government authorities and engaged with government officials on behalf of the Company. Pertinently, late Mr. Shriram on the Company's behalf, had engaged with the Department of Food & Public Distribution, Government of India, and with the Government of Uttar Pradesh, with a view to developing a sugarcane-pricing mechanism linked to sugar prices. He submitted detailed written representations, including letters dated March 17, 2017 and August 1, 2017, inter alia, addressed to the Hon'ble Prime Minister of India, the President of the Bharatiya Janata Party, the Chief Minister of Uttar Pradesh, the Chief Secretary, the Principal Secretary (Sugar Industries and Cane Development), and the Cane Commissioner of Uttar Pradesh. Copies of these communications have already been shared with your good offices with the Written Submissions.
10. Moreover, as a Special Advisor, late Mr. Shriram maintained regular engagement with lending institutions and industry associations on matters material to the Company and the sector. This is inter alia evident from letters dated December 14, 2016, April 25, 2017, and May 9, 2017 addressed to Punjab National Bank and State Bank of India as well as letter dated October 31, 2017, addressed to the Director General, Indian Sugar Mills Association. Copies of these communications have already been shared with your good offices with the Written Submissions.
11. Given the above crucial role played by late Mr. Shriram, it was necessary for late Mr. Shriram to have ready access to the Company's current financial and operational data, including its performance and production information. The knowledge of such information was critical for him to substantiate on the issues under discussion and to accurately contextualize the Company's financial position during such engagements with government and banking institutions.
12. In view of the above, I was under the bona fide belief that the information being provided to him was required to assist and strengthen his representations before the government, banking and industry institutions. Late Mr. Shriram was required to have knowledge of and/or access to this information to effectively perform his duty as the Company's Special Advisor.

13. Moreover, the Company would from time to time seek his advice and counsel on numerous matters. Accordingly, information including financial information such as availability of funds, sugar stocks and working capital requirements were shared with him to enable him to render appropriate advice to the Company from time to time.
14. In light of the foregoing, I reiterate that the information shared with late Mr. Shriram was for legitimate purposes, driven by genuine corporate objectives, for lawful business reasons and was not in contravention of applicable law. Therefore, there is no cause for your good offices to proceed against me.
Identified quarterly estimates were already disclosed when late Mr. Shriram made the trade:
15. Your good offices in the Said SCN have alleged that I failed to ensure that late Mr. Shriram did not have access to the alleged unpublished price sensitive information ("UPSI") relating to advanced quarterly estimates for quarter ending March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017.
16. In this regard, as detailed in the 2023 Reply and Written Submissions, when late Mr. Shriram made the trades, the Company's quarterly estimates for quarter ending March 31, 2017 and June 30, 2017, had already been disclosed to the stock exchanges in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. Accordingly, as of the trading period, no UPSI pertaining to the Company's quarterly financial results could have existed with late Mr. Shriram, since these were already disclosed to the stock exchanges.
17. In any event, as explained in the 2023 Reply and Written Submissions, certain key line items mentioned in quarterly financial estimates shared with late Mr. Shriram on April 20, 2017, and August 3, 2017, significantly differed from those disclosed to the stock exchange.
18. With respect to the advance quarterly estimates ending September 2017 and December 2017, it is pertinent that your good offices in the said SCN have failed to identify any email under which the advance quarterly estimates ending September 30, 2017 were shared with late Mr. Shriram.
19. Moreover and admittedly, late Mr. Shriram did not sell any shares of the Company after November 24, 2017. Therefore, in light of the fact that the advance quarterly estimates ending December 31, 2017 were shared with late Mr. Shriram only in January 2018 i.e., much after late Mr. Shriram's last trade in the shares of the Company, the advance quarterly estimates ending December 31, 2017, have no bearing for the purposes of the present adjudication. Accordingly, there is no merit in the allegations raised by your good offices in this regard.
20. In addition to the above, it is submitted that estimates relating to cash flow, sugar sales and working capital requirements shared by me with late Mr. Shriram during the financial year 2017-2018, were merely estimates and projections prepared in relation to the Company's business performance. These projections and estimates were not final figures and in fact varied significantly each month and therefore cannot be considered as UPSI since such projections and estimates were not reliable source of information basis. No prudent person would rely on mere projections and estimates, which are subject to change, to carry out trades.
Your good offices have taken the view that late Mr. Shriram was a connected person as he was a 'Special Advisor' of the Company:
21. Without prejudice to the above, I reiterate that given the view taken by your good offices under order dated February 18, 2025, there is now no cause for your good offices to proceed against me.
22. As indicated above, your good offices under order dated February 18, 2025, taken the view that late Mr. Shriram was a 'connected person' by virtue of being the Company's Special Advisor and therefore had, directly or indirectly, access to the information or was reasonably expected to have such access. Consequently, there is no cause now for your good offices to proceed against me, in connection with the information shared with late Mr. Shriram in his capacity as the Company's Special Advisor, which was shared for legitimate business purposes, as detailed above.
23. I re-iterate that the Code of Conduct has been administered and implemented in true meaning and spirit by me. Accordingly, the information shared with late Mr. Shriram was in compliance with the Code of Conduct as well as in terms of Regulation 3(1) of the PIT Regulations.
24. In view of the above, no case as is alleged in the Said SCN is made out against me. I most humbly reiterate that I have acted in a bona fide manner in accordance with and within the statutory framework of applicable laws. Particularly, I have not committed any violation of the PIT Regulations, SEBI Act and/or the Code of Conduct. Accordingly, I humbly request your good offices to withdraw the Said SCN and take no steps pursuant to the Said SCN against me.
25. I remain committed to cooperating with and assisting your good offices in any and all manner as may be required by it under law. I also request your good offices to provide me an opportunity of an oral hearing, to enable me to further defend my case. This is in line with the principles of natural justice.
26. This additional reply is issued without prejudice to my rights under applicable law.

... ”

11. Having regard to the principles of Natural Justice, vide email dated November 03, 2025, an opportunity of personal hearing was afforded to the Noticees on November 11, 2025. On the scheduled date of hearing i.e November 11, 2025, the Noticees appeared through their common Authorized Representatives viz., Mr. Ajay Bahl, Mr Ankit Tandon and Ms. Urvashi Misra (External Counsel), Mr Arnab Ray (External Counsel) (Authorized Representatives / ARs) for the hearing opted to be held online viz., via video conferencing. During the hearing, the ARs relied upon and reiterated the written submissions made vide email dated November 23, 2023 by Noticee 1, email dated November 24, 2023 and December 1, 2023 by Noticee 2 and email dated December 1, 2023 by Noticee 3, common reply dated December 15, 2023 and Additional Replies filed by the Noticee No. 1 on 21.10.2025, Noticee No. 2 on 24.10.2025 and Noticee No. 3 on 23.10.2025. Further, ARs sought additional time to make further submissions in the matter. Accordingly, 10 days' time from the date of hearing was allowed. Noticees vide email dated November 21, 2025 submitted common additional submissions.

Noticees' Common submissions dated November 21, 2025 are reproduced below:

“ ...

1. We refer to the Show Cause Notice bearing reference no. SEBI/HO/EAD-5/AN/SM/37827/3/2023 dated 13 September 2023 ("SCN") issued under Rule 4(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 to Dr. Anil Arora ("Noticee No. 1"), Mr. Bharat Bhushan Mehta ("Noticee No. 2") and Mr. Ashok Kumar Shukla ("Noticee No. 3").
2. Noticee Nos 1-3 are hereinafter collectively referred to as "Noticees".
3. Noticee Nos. 1 and 2 filed their individual replies to the SCN on November 23, 2023, while Noticee No 3 filed his reply to the SCN on November 24, 2023 (collectively referred to as the "2023 Replies"). A hearing was subsequently held on December 5, 2023, following which the Noticees submitted their common written submissions dated December 15, 2023 ("2023 Submissions").
4. Thereafter, your good offices vide email dated October 06, 2025, informed the Noticees that the erstwhile Adjudicating Officer had been transferred and Shri. Sudeep Mishra had been appointed as the new Adjudicating Officer in the present matter. Your good offices further granted the Noticees an opportunity to file additional submissions in response to the SCN as well as an opportunity of hearing before the new Adjudicating Authority.
5. Pursuant to the above, Noticee Nos 1, 2 and 3 filed their individual Additional Reply to the SCN on October 21, 2025, October 24, 2025 and October 27, 2025 respectively (collectively referred to as "Additional Replies").

6. Subsequently, the Noticees were granted a personal hearing before the Adjudicating Authority on November 11, 2025. We are grateful for the opportunity that was provided by your good offices to make submissions at the hearing. At the said hearing, the Adjudicating Authority was pleased to grant the Noticees an opportunity to file written submissions, within a period of 10 days, i.e. on or before November 21, 2025.
7. The Noticees are filing the present common written submissions pursuant to the liberty granted by the Adjudicating Authority. Respectfully, the present written submissions may kindly be read along with the 2023 Replies, 2023 Written Submissions and Additional Replies, and the submissions during the personal hearing ("Hearing Submissions"), the contents of which are incorporated by reference and are not reproduced for the sake of brevity.

I. Allegations raised in the SCN against the Noticees

8. The SCN issued by your good offices makes the following allegations against the Noticees:

Noticee No. 1, erstwhile Chief Financial Officer ("CFO") CFO from November 5, 2015 – November 4, 2017	Noticee No 2, CFO CFO from November 4, 2017 to March 14, 2023	Noticee No. 3, Company's Company Secretary and Compliance Officer
<p>It is alleged that he:</p> <p>(a) communicated unpublished price sensitive information ("UPSI") relating to the advanced quarterly estimate ("QE") of March 31, 2017 and June 30, 2017, of the Company to late Mr. Siddharth Shriram ("SS"); and</p> <p>(b) allowed late SS to have access to UPSI related to the estimates for QE September 30, 2017 and December 31, 2017.</p> <p>It is alleged this conduct was in violation of Regulation 3(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") and Section 12A(e) of the Securities and Exchange Board of India Act, 1992 ("SEBI Act").</p>	<p>It is alleged that he communicated UPSI relating to advanced QE December 31, 2017, to late SS in January 2018.</p> <p>It is alleged that this conduct was in violation of Regulation 3(1) of the PIT Regulations, 2015 and Section 12A(e) of the SEBI Act.</p>	<p>It is alleged that he failed to (a) ensure that late SS did not have access to UPSI, which was not part of his mandate as a Special Advisor; and (b) administer the Code and monitor compliance with the Code's requirements.</p> <p>It is alleged that this conduct was in violation of Regulation 9(3) of the PIT Regulations and Section 12A(e) of the SEBI Act.</p>

9. All the allegations, averments and contentions raised against the Noticees in the SCN are denied. For the reasons detailed below as well as in the 2023 Replies, 2023 Written Submissions, Additional Replies and the Hearing Submissions, no case of violation of the PIT Regulations and SEBI Act has been established against the Noticees. Accordingly, it is respectfully submitted that no action ought to be taken against the Noticees and that the Noticees be discharged in respect of all the allegations raised against them in the SCN.

II. Information shared with late SS was for legitimate purpose and does not constitute a violation of the PIT Regulations

10. Regulation 3(1) of the PIT Regulations provides are under:

"3. (1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

NOTE: This provision is intended to cast an obligation on all insiders who are essentially persons in possession of unpublished price sensitive information to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis. It is also intended to lead to organisations developing practices based on need-to-know principles for treatment of information in their possession."
11. As is evident from the plain language of Regulation 3(1), it permits communication of UPSI for 'legitimate purposes', 'performance of duties' and/or 'discharge of legal obligations'

As demonstrated in the 2023 Replies, 2023 Written Submissions, Additional Replies, and the Hearing Submissions, the identified information was shared with late SS with a legitimate purpose, namely, to enable him to effectively perform his duties as the Special Advisor to Mawana Sugars Limited ("Company").

Thus, the information was shared by the Noticees in compliance with and for the purposes permitted by the PIT Regulations.

III. Appointment of late SS as the Special Advisor and the necessity of access to information

12. Late SS was eminently qualified to serve as a Special Advisor to the Company, having been associated with the Company for 40 years and having a vast experience in the sugar industry. He commanded a respectable reputation and maintained strong relationships with the key figures in the industry, lending institutions as well as with government officials.
13. His experience spanning 4 decades allowed him to develop a deep repository of knowledge related to Company's sugar, distillery, chemical and industrial estate businesses including manufacturing, operation, business management and dealing with external environment.
14. In 2014, the Company faced acute financial distress that resulted in significant arrears to cane farmers. As cane dues mounted and the Company struggled to mobilize resources, multiple first information reports were filed against the Company's management.
15. Against this backdrop, and to shield the Company's day-to-day management from further disruption, late SS tendered his resignation as the Chairman and Managing Director of the Company, on July 31, 2014.
16. Pursuant to the above, the Company with a view to continue to get the benefit of his vast experience and industry knowledge but in a different role, late SS was appointed as a Special Advisor to the Company on October 20, 2014 for a period of 3 years [Annexure 1, Noticee No3's Reply dt 24.11.2023, Pg 1-2].
17. The Nomination and Remuneration Committee at its meeting held on October 20, 2014, recorded that: "[...]"

ITEM NO. 3 Appointment of Mr. Siddharth Shriram as a Special Advisor

The Committee was informed that Mr. Siddharth Shriram has resigned from Chairman and Managing Director of the Company effective close of business on 31.07.2014.

The Committee was further informed that in view of the experience of managing the Business of Company and valuable guidance and services rendered by Mr. Shriram as a Chairman and Managing Director, it is proposed to appoint him as a Special Advisor of the Company.

After discussion, the Committee passed the following resolution and recommended the same to the Board for its final approval.
[...]"

A copy of the minutes of meeting of Nomination and Remuneration Committee dated October 20, 2014 is annexed hereto and marked as Document 1.

18. At the end of his term, the Company re-appointed him as the Special Advisor, to continue availing his guidance and the services rendered by him in that capacity [Annexure 1, Noticee No 3's Reply dt 24.11.2023, Pg 3-4]. In this regard, the Nomination and Remuneration Committee at its meeting held on September 11, 2017, recorded that:

"Item No. 3: Re-appointment and Revision in Advisory Fee - Mr. Siddharth Shriram as a Special Advisor

The Committee was informed that:

- i) Mr. Siddharth Shriram was appointed as a Special Advisor of the Company for a period of 3 years (from 20th October, 2014 to 19th October, 2017) by the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meetings held on 20.10.2014 on the terms and conditions as contained in his letter of engagement dated 20.10.2014. Accordingly, the present term of Mr. Siddharth Shriram as a Special Advisor of the Company is expiring on 19.10.2017.

In view of the experience of managing the business of the Company and valuable guidance and services rendered by him as Special Advisor of the Company, it is proposed to re-appoint Mr. Siddharth Shriram as a Special Advisor of the Company and revise the advisory fee effective from 20.10.2017 for a period of 3 years.

- ii) Draft Engagement letter containing scope of work, advisory fee etc. was tabled at the meeting.

After discussions, the Committee passed the following resolution and recommended the same to the Board for its approval.

[...]"

(Emphasis Supplied)

A copy of the minutes of meeting of Nomination and Remuneration Committee dated September 11, 2017 is annexed hereto and marked as Document 2.

19. As a Special Advisor, late SS was required to provide his advice on issues pertaining to the

manufacturing, operation, business management of the Company as well as dealing with policy issues in the sugar sector with government authorities, financial and sectoral institutions.

20. His engagement letter dated October 20, 2014 [Annexure 1, Noticee No3's Reply dt 24.11.2023, Pg 1-2], recognized all of the above and has been extracted below
"Dear Mr. Shriram,

You have been with MSL (Company) for more than 40 years and are a repository of deep knowledge about various activities related to Company's Sugar, Distillery, Chemical and Industrial Estate businesses including inter alia manufacturing, operation, business management and dealing with external environment. As the Company is going through a very tough time, we need your advise on various matters for efficient management of these businesses in these very difficult times.

There are many significant areas where your knowledge and background can continue to be enormously useful in conduct of the Company's business. Some of these areas are:

1. Aspects related to the development of the industrial Estate in Punjab including managing the PR in Punjab and dealing with various authorities on behalf of Company.
2. Aspects relating to strategic oversight of Sugar Plants, Distillery, Cane Development and Chemical business of the Company.
3. Dealing with various Government agencies of Uttar Pradesh and also other States, Central Government, other Government authorities, Agencies, Associations in respect of policy and operational issues related to Cane and Governance related matters.
4. Guiding on managing the Morale and Spirit of Mawana Sugars Limited (MSL) in this very difficult period for Sugar Industry in U.P.
5. Advising on Group Strategy decisions.
6. Advising on Restructuring of Businesses including obtaining approval from Lenders. BIFR, Other Creditors, etc.

There are also several other areas where your inputs will enhance the quality of the decisions and proposed actions while knowledge transference is taking place.

It is desirable that the existing staff have the opportunity to receive your inputs in the decision matrix in a formalized way without the intercession of excessive bureaucracy. It is important to recognize that in all aspects it is desirable to engage with the Operating Managers/Teams concerned so that knowledge/skills may be transferred.

[...]"

(Emphasis Supplied)

Copies of the two engagement letters issued by the Company to late SS are annexed and marked as Document 3 and Document 4 hereto.

21. A bare perusal of the engagement letters of late SS shows that the scope of his engagement was very extensive and the six items identified in the letter, even though very wide in scope by themselves, were merely illustrative and not exhaustive.
22. As highlighted by the Noticees in their statements recorded on January 17, 2023, February 03, 2023 and February 02, 2023, by your good offices, , the Company also constituted a 4C Committee to carry out the day-to-day operations of the Company. Pertinently, the meetings were held on a fortnightly or monthly basis and were attended by several officers along with their team members.
23. The fact that late SS (i) had a wide advisory role and (ii) regularly provided strategic inputs in connection with the said meeting relating to the Company's affairs is corroborated by the following statements of Noticee Nos 1-3 which were recorded by your good offices, which clearly describe the width and scope as well as the importance of the role played by late SS:

Statement of Noticee No 1 recorded on January 17, 2023

Q 6	When was this "4C" committee formed?
A 6	The 4C committee was formed during 2014 as a decision making body after Mr. Siddharth Shriram quit as Chairman of the company.
Q11	What was the frequency of the Committee meetings at Mr. Siddharth Shriram's residence?
A 11	Generally these meetings used to take place fortnightly or monthly meetings

Statement of Noticee No. 2 recorded on February 3, 2023

Q 8	What was the mode of interaction with Mr. Siddharth Shriram after your joined as CFO in 2017 ?
A 8	I mostly sent information to him on emails. Additionally, he used to call for Committee meetings at his residence which I used to attend.
Q 9	What was the frequency of the Committee meetings at Mr. Siddharth Shriram's residence?
A 9	There was no fixed schedule of these meetings. Generally these meetings used to take place on fortnightly or monthly basis.
Q 10	Who used to attend the aforesaid Committee meetings at the residence of Mr. Siddharth Shriram?
A 10	Various personnel used to attend the said meeting as per need. Myself, Mr. A K Mehra, Mr. P K Bhalla (only when legal matter is involved), Mr. R K Gangwar, Mr. Tewani (sales manager), Mr. Anil Arora (before he exited the company in April 2018), along with relevant team members were also present at said meetings.
Q 11	What was the purpose of aforesaid meetings at the residence of Mr. Shriram?
A 11	Usually strategical matters related to sales review, business review, sale of assets of the company, payment of cane dues and repayment of bank loans used to be discussed during meetings at the residence of Mr. Shriram.
Q 16	What is the reason for providing unaudited quarterly estimates to Mr. Shriram soon after end of each quarter?
A 16	We provided the same to Mr. Shriram in order to enable him to have a clear picture so that he could provide us advice on matters pertaining to the company.

Statement of Noticee No. 3 recorded on February 2, 2023

Q 4	Why was the 4C Committee formed?
A 4	Earlier, there was a lot of pressure for payment of cane dues to the farmers. Due to pending dues, a lot of FIRs were also filed against the management members of sugar companies and police used to take action on the same. Due to this, the various management members of MSL, including Mr. Shriram had to resign to avoid police action. Thereafter, one Whole Time Director was appointed who also resigned in a very short time. Further, there was no one willing to become MD. Therefore, to carry out the day to day operations of the company, it was thought that a committee may be formed which will have the powers of an MD and will report to the Board.
Q 11	What was the mode of interaction with Mr. Siddharth Shriram ?
A 11	I used to communicate with Mr. Shriram mostly on emails. Additionally, sometimes used to meet him during Board meetings and at meetings at his residence on a few occasions.
Q 17	Did Mr. Shriram used to attend all the Board meetings? In what capacity did he used to attend?
A 17	He used to attend almost all the Board meetings since I joined the company as Company Secretary. As an advisor, we used to invite him as Special Invitee.
Q 18	What was Mr. Shriram's contribution during Board Meetings?
A 18	He used to provide his inputs based on his rich experience during various discussions in the Board Meeting.
Q 19	Which meetings other than Board Meetings did Mr. Shriram attend?
A 19	Mr. Shriram used to conduct meetings related to business of the company at his residence.

24. Moreover, as highlighted earlier, late SS was also deeply involved in policy related discussions with the Central and State Government authorities and engaged with government officials on behalf of the Company. Pertinently, he would engage with the Department of Food & Public Distribution, Government of India, and with the Government of Uttar Pradesh, with a view to developing a sugarcane-pricing mechanism linked to sugar prices. He further submitted detailed written representations, including letters dated March 17, 2017, and August 1, 2017, inter alia, addressed to the Hon'ble Prime Minister of India, the President of the Bharatiya Janata Party, the Chief Minister of Uttar Pradesh, the Chief Secretary, the Principal Secretary (Sugar Industries and Cane Development), and the Cane Commissioner of Uttar Pradesh. Copies of Letter dated March 17, 2017 to the Prime minister and letter dated August 1, 2017, to the President of Bharatiya Janta Party, the Chief Minister of Uttar Pradesh, Chief Secretary of Government of Uttar Pradesh, the Principle Secretary of Sugar Industries and Cane Development and the Cane Commissioner of Uttar Pradesh are annexed and marked as Document 5 and Document 6.
25. Late SS also maintained regular engagement with lending institutions and industry associations on matters material to the Company and the sector as is inter alia evident from letters dated December 14, 2016, April 25, 2017, and May 9, 2017 addressed to Punjab National Bank and State Bank of India as well as letter dated October 31, 2017, addressed to the Director General, Indian Sugar Mills Association.

Copies of the letters dated December 14, 2016, April 25, 2017 and May 9, 2017 submitted by Late Mr. Shriram with Punjab National Bank and State Bank of India are annexed and marked as Document 7 (Colly). Copy of letter dated October 31, 2017 submitted with Director General Indian Sugar Mills Association is annexed and marked as Document 8.

26. Given the breadth and significance of his advisory role, it was essential for late SS to have ready access to the Company's current financial and operational data, including its financial statements, production information, performance metrics, and cash flows. As Special Advisor, he was expected to provide timely and informed guidance on matters relating to operations, manufacturing, business development, and potential capital requirements from investors or government bodies. His engagements with government authorities and banking institutions further required him to be fully apprised of the Company's financial and operational status so that he could substantiate the issues under discussion, accurately contextualize the Company's position, and meaningfully contribute to strategic decision-making.
27. In the above background, the Noticee Nos. 1-2 were under the bona fide belief that the information provided to late SS was necessary and required to enable late SS to advise the Company as a Special Advisor.
28. As detailed above, late SS was eminently qualified to serve as a Special Advisor. There is clear, intrinsic and uncontroverted evidence of the active and meaningful involvement of late SS in discharging the responsibilities entrusted to him in this capacity as an advisor.
29. The arrangement was not a subterfuge or charade created with the intention to merely provide the Company's information to him.
30. Further, such information was shared regularly with late SS as part of the ordinary course of business. The flow of information formed a part of a continuous, ordinary-course flow of information necessary for a Special Advisor's role and were not timed to coincide with market events or any trading activity.
31. In view of the above, it is humbly submitted that the information shared by the Noticee Nos. 1-2 with late SS was for legitimate purposes, driven by bona fide and genuine corporate objectives, for lawful business reasons and was not in contravention of applicable law. The Noticees humbly submit that they have not acted in violation of the PIT Regulations read with the SEBI Act and the information was only shared with late SS for a legitimate purpose.

IV. SEBI have themselves taken a view that late SS was a connected person and was expected to have access to UPSI

32. Without prejudice to the above, it is submitted that vide order dated February 18, 2025, passed in respect of Mr. Krishna Shriram, SEBI's adjudicating authority has taken a view that late SS was a 'connected person' under the PIT Regulations and was in fact, expected to be in possession of the identified UPSI.
33. In this regard, your good offices at paragraph 35 of the order dated February 18, 2025, have acknowledged that the terms of engagement of late SS were broad in nature and that such broad terms enabled SS to provide inputs/advice/instructions on almost all the aspects of the Company:

"35. I note that the aforesaid terms of engagement of SS are broad in nature and that such broad terms enabled SS to provide inputs/advice/instructions on almost all the aspects of the company. I find that MSL had submitted the certified copy of minutes of proceedings of every meeting of the Board of Directors for the FY 2017-18, from the minutes of the meeting it is observed that SS was present in all the meetings of the Board of Directors in his capacity as Special Advisor to the company."

(Emphasis Supplied)

34. Moreover, at paragraph 40 of the said order, your good offices have noted that late SS enjoyed a 'key position in the affairs of the company':
 "40. In view of abovementioned emails and the presence of SS in all the meetings of the Board of Directors of the company coupled with the facts that he was the largest shareholder, ex Chairman and Managing Director and his mandate as Special Advisor to the company, I find that he enjoyed a key position in the affairs of the company. Therefore, on a bare perusal of above noted definition of an 'insider' prescribed under the PIT Regulations, I find that SS was certainly a 'connected person' with the Company and also a person 'in possession of or having access to UPSI', thereby making him an 'insider' under the PIT Regulations."
 (Emphasis Supplied)
35. On the basis of the above analysis, your good offices concluded that late SS was a connected person under the PIT Regulations. Regulation 2(b) of the PIT Regulations defines connected persons to mean:

"(b) "connected person" shall mean:

- (i) any person who is or has during the two months prior to the concerned act been associated with the mutual fund, asset management company and trustees, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or employee of the asset management company and trustee or holds any position including a professional or business relationship with the mutual fund or asset management company or the trustees, whether temporary or permanent, that allows such a person, direct or indirect access to unpublished price sensitive information or is reasonably expected to allow such access;

[...]"

(Emphasis Supplied)

36. Given the view taken by SEBI that late SS was a connected person by virtue of being the Company's Special Advisor and the role he played underscores that SEBI has itself taken the position that he was reasonably expected to have access to unpublished price sensitive information. Therefore, there is now no cause for your good offices to proceed against the Noticees, in connection with the information shared by them with him with late SS in his capacity as the Company's Special Advisor, for legitimate business purposes.
37. Thus, in light of the foregoing, your good offices ought not to penalize the Noticees for sharing the information with late SS, for a legitimate purpose.
- V. There is no evidence on record to show that Company's advanced quarterly estimates for quarter ending September 30, 2017 were shared with late SS
38. The SCN has not identified even a single email or correspondence where the advanced quarterly results for quarter ending September 30, 2017, were shared with late SS. This ipso facto establishes that no allegation of communication of UPSI pertaining to advanced quarterly results for quarter ending September 30, 2017 can be maintained against the Noticees.
- VI. Noticee No.3 was neither the originator nor recipient of any identified information by your good offices
39. Noticee No.3 has been carrying out his duties as the Company Secretary and the Compliance Officer of the Company in accordance with applicable laws and in compliance with the Company's Code of Conduct.
40. As the Compliance Officer, the Noticee No. 3 did not deal with the financial affairs of the Company. In fact, Noticee No. 3 was neither the originator nor copied on the email correspondence relied upon identified by your good offices, under Annexure C-15 and Annexure D-21, to the SCN issued to him. Thus, no violation of the PIT Regulations and the SEBI Act can be made out against Noticee No 3.
- VII. Without prejudice to any of the arguments taken above, no penalty ought to be imposed on the Noticees in the present case
41. Your good offices have issued the SCN to Noticee Nos. 1 and 2 under Section 15G of the SEBI Act, and to Noticee No. 3 under Section 15HB of the SEBI Act. Notably, the minimum penalty prescribed under Section 15G of the SEBI Act is INR 10 lakhs, while the minimum penalty leviable under Section 15HB of the SEBI Act is INR 1 lakh.
42. In view of the foregoing submissions, it is most humbly submitted that Noticees have acted in accordance with and within the statutory framework of applicable laws. Particularly, they have not committed any violation of the PIT Regulations and/or any provisions of the SEBI Act, as the sharing of information with late SS was for legitimate purpose in furtherance of his role as the Special Advisor to the Company. Hence, there exists no cause to proceed against the Noticees. Thus, no penalty ought to be imposed on the Noticees in the present case.
43. Without prejudice to the above contention Section 15 J of the SEBI Act lays down the factors to be taken into account while adjudging quantum of penalty to be levied, 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.
44. In this regard it may kindly be noted that Noticee Nos 1-2 are senior citizens, with Noticee No 1 being 77 years old and Noticee No 2 being 60 years old. Pertinently both Noticee Nos 1-2 have retired from the Company and have no source of income from the Company.
- i. No allegations have been raised against any of the Noticees, of either dealing in the shares of the Company during the investigation period or making any personal gain from the sale of the Company's identified shares by late SS;
 - ii. SCN has not identified any loss that was caused to the Company and or any third party on account of the purported violations;
 - iii. this is the first time an allegation of this nature has been raised against any of the Noticees; and
 - iv. last salary drawn by Noticee Nos 1-2 were approximately INR 35-40 lacs per annum. Noticee No 3's last drawn salary was INR 8 lakhs per annum

..."

D. CONSIDERATION OF ISSUES AND FINDINGS

12. The issues that arise for consideration in the instant matter are as following:

- Issue No. I:** Whether the Noticees had violated the provisions of SEBI (PIT) Regulations, 2015 and SEBI Act, 1992 as alleged?
- Issue No. II:** If yes, whether the Noticees are liable for imposition of monetary penalty under Section 15HB and 15G of SEBI Act, 1992?
- Issue No. III:** If yes, what should be the monetary penalty that can be imposed upon the Noticees?

- Issue No. I:** Whether the Noticees had violated the provisions of SEBI (PIT) Regulations, 2015, SEBI Act, 1992 as alleged?

13. I note from material available on record that the following was inter alia observed and alleged in the SCN in respect of the Noticees:

With respect to Dr Anil Arora (Noticee 1), Mr. Bharat Bhushan Mehta (Noticee 2) and Mr Ashok Kumar Shukla (Noticee 3):

Dr Anil Arora communicated UPSI related to advance quarterly estimates of Q.E. March 31, 2017 and June 30, 2017 to Mr. Siddharth Shriram (hereinafter also referred to as Mr. Shriram/late Mr. Shriram) and inter alia allowed Mr. Shriram to have access to the UPSI related to advance quarterly estimates, as alleged. Mr. Bharat Bhushan Mehta communicated UPSI related to advance quarterly estimates of Q.E. December 31, 2017 to Mr. Siddharth Shriram.

Mr Ashok Kumar Shukla, as Company Secretary and Compliance officer, failed to ensure that Mr. Siddharth Shriram did not have access to UPSI related to advance estimates of quarterly performance for Q.E. March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017 which was not part of his mandate as Special Advisor. Mr. Ashok Kumar Shukla, as Company Secretary and Compliance Officer, had failed to administer the “Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information” of Mawana Sugars Ltd. and monitor compliance with the aforesaid code’s requirements.

- 13.1. With regard to Noticee 1, it was inter alia observed by SEBI that Dr Anil Arora was the CFO of Mawana Sugars Ltd during the period September 7, 2015 – November 2017. He was the CFO during the period of UPSI i.e. the results of the company for Q.E. September 30, 2017. It was observed by SEBI from sample analysis of email dump of Mr. Siddharth Shriram (‘Late Mr. Shriram’ / ‘Mr Shriram’ in short) that Dr Arora had forwarded the information regarding unaudited quarterly estimates of the company for Q.E. March 31, 2017 and Q.E. June 30, 2017 soon after the end of the said quarters to Mr. Shriram. Further, Late Mr. Shriram was also the recipient of the email sent by Mr B B Mehta, successor of Dr. Anil Arora as CFO, to Mr. Shriram regarding the unaudited quarterly estimates of the company for Q.E. December 31, 2017. Further, it was observed that with respect to the aforesaid emails which were sent by Dr Anil Arora to Mr. Shriram, no advice was sought from Mr. Shriram who was special advisor to the company. Also no response/advice to the aforesaid emails has been provided by Mr. Shriram. Therefore, it was alleged by SEBI that sending the information regarding the quarterly estimates of the company to Mr. Siddharth Shriram was not in furtherance of any legitimate purpose, performance of duties or fulfilment of any legal obligation. It was observed that Dr Arora had forwarded various other sensitive company information to Mr. Shriram during FY 2017-18 which inter-alia included Cash Flow estimates, Sugar Sales Review, Working capital requirement etc.

Therefore, it was alleged in the SCN that Noticee 1 communicated UPSI related to advance quarterly estimates of Q.E. March 31, 2017 and June 30, 2017 to Mr. Siddharth Shriram and also allowed Mr. Shriram to have access to the UPSI related to advance quarterly estimates of Quarters ending September 30, 2017 and December 31, 2017 and therefore, Noticee 1 had violated Regulation 3(1) of SEBI PIT Regulations, 2015 and Section 12A(e) of SEBI Act, 1992.

- 13.2. With regard to Noticee 2, it was observed by SEBI that Mr B B Mehta was appointed as CFO of Mawana Sugars Ltd on November 1, 2017 and was continuing during relevant time. It was observed from email records that he had forwarded email dated January 12, 2018 to Mr. Siddharth Shriram which contained advanced estimates for financial results for Q.E. December 31, 2017 which was a price sensitive information.

Further, it was observed that the aforesaid email was sent by Mr B B Mehta, who was CFO since November, 2017, to Mr. Shriram and no advice had been sought from Mr. Shriram who was special advisor to the company. Also no response/advice to the aforesaid emails had been provided by Mr. Shriram. Therefore, it was observed that sending the information regarding the quarterly estimates of the company to Mr. Siddharth Shriram was not in furtherance of any legitimate purpose, performance of duties or fulfilment of any legal obligation.

Therefore, it was alleged in the SCN that Noticee 2 communicated UPSI related to advanced quarterly estimates of Q.E. December 31, 2017 to Mr. Siddharth Shriram and therefore, Noticee 2 had violated Regulation 3(1) of SEBI PIT Regulations, 2015 and Section 12A(e) of SEBI Act, 1992.

- 13.3. With regard to Noticee 3, it was observed by SEBI that Mr. Ashok Kumar Shukla was the Company Secretary and Compliance Officer of the company during the Investigation Period. As Company Secretary and Compliance Officer, it was the responsibility of Mr. Shukla to ensure compliance with the Code of Conduct of the company formulated to adhere to the provisions of

SEBI PIT Regulations, 2015 and SEBI Act, 1992. Since Mr. Siddharth Shriram was an Advisor to the company and not a regular employee, it was the duty of Mr. Shukla, being the Company Secretary and Compliance officer to ensure that Mr. Shriram was provided sensitive company information, especially UPSI on a need-to-know basis. Further, it was observed that even when Mr. Shriram commenced selling shares of MSL on October 12, 2017 onwards and did so on 31 trading days, the last being November 24, 2017 (reporting of these transactions was being done to the Exchanges), Mr. Shukla took no steps to ensure that Mr. Shriram was not in possession of any UPSI while he was conducting aforesaid sale transactions.

Thus, it was observed that Mr. Ashok Kumar Shukla, as Company Secretary and Compliance officer, failed to ensure that Mr. Siddharth Shriram did not have access to UPSI related to advance estimates of quarterly performance for Q.E. March 31, 2017, June 30, 2017 and December 31, 2017 which was not part of his mandate as Special Advisor and that Mr. Ashok Kumar Shukla, as Company Secretary and Compliance officer has taken no steps to ensure that Mr Shriram did not have access to UPSI while he was selling 25,00,000 shares of MSL during October 12, 2017 – November 24, 2017. Therefore, it was alleged that Mr. Ashok Kumar Shukla, as Company Secretary and Compliance Officer, had failed to administer the “Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information” of Mawana Sugars Ltd and monitor compliance with the aforesaid code’s requirements and thus had violated Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of Mawana Sugars Ltd read with Regulation 9(3) of SEBI PIT Regulations, 2015 and Section 12A(e) of SEBI Act, 1992.

14. I note that Noticees have made similar submissions in their respective replies to the SCN vide respective email dated November 23, 2023 and November 24, 2023 and December 01, 2023. Further Noticees have submitted common additional submissions dated December 15, 2023. Further, pursuant to change of erstwhile AO, additional submissions were filed by the Noticee No. 1 on

21.10.2025, Noticee No. 2 on 24.10.2025 and Noticee No. 3 on 23.10.2025. In this regard, I note that save for being differently worded, broadly speaking, the submissions made by the Noticees are more or less common in nature. Some of these common submissions include *“I had sent the emails in question to late Mr. Shriram for a legitimate business purpose. Late Mr. Shriram was appointed as a ‘Special Advisor’ to the Company.... As a result of his continued role as a ‘Special Advisor’, the Company had access to his vast experience and knowledge of the industry. Late Mr. Shriram’s insight into the intricacies of the business were considered valuable by the Company owing to which he was engaged as the ‘Special Advisor’ even after his retirement from the position of Chairman and Managing Director of the Company...”*. Hence the same have been dealt with conjointly and references drawn, if any, are to the text per either of the letters and submissions dealt with accordingly.

- 14.1. In this regard, it is pertinent to refer to text of Regulation 3(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 which states the following:

“...

Communication or procurement of unpublished price sensitive information.

3.(1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

...”

- 14.2. With regard to the prohibition stipulated under regulation 3(1), it is important to note that the said regulation institutes an exception concerning the communication or access to UPSI ‘in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.’
- 14.3. This exception stemming from the phrase ‘in furtherance of legitimate purpose, performance of duties or discharge of legal obligations’ exempts the sharing of UPSI from the prohibition under regulation 3(1) when it is deemed necessary for legitimate purposes as opposed to for personal gain.
- 14.4. The PIT Regulations, thus, do not intend to impose an all-purpose ban on information dissemination. In terms of the provision of regulation 3(1)

mentioned above, if the communication of UPSI is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, the prohibition on communication of UPSI is not attracted.

- 14.5. In this regard, I note from material available on record that late Mr. Shriram had previously served as the Chairman and Managing Director of MSL till July 31, 2014. Thereafter vide engagement letter dated October 20, 2014, he was appointed as a Special Advisor of MSL for a period of three years from the date of the appointment. Subsequently, vide Board Resolution Dated September 11, 2017, his appointment as Special Adviser of MSL was extended for an additional period of three years.
- 14.6. The Engagement Letter dated October 20, 2014 appointing late Mr. Shriram as a Special Advisor to MSL acknowledged that he was with the company for more than 40 years having knowledge about various activities related to company's Sugar, Distillery, Chemical and Industrial Estate businesses including inter alia manufacturing, operation, business management and dealing with external environment", The said engagement letter stated as under with regard to the engagement of late Mr. Shriram with MSL:

"There are many significant areas where your knowledge and background can continue to be enormously useful in conduct of the Company's business. Some of these areas are:

- i. Aspects related to the development of the Industrial Estate in Punjab including managing the PR in Punjab and dealing with various authorities on behalf of Company.*
- ii. Aspects relating to strategic oversight of Sugar Plants, Distillery, Cane Development and Chemical business of the company*
- iii. Dealing with various Government agencies of Uttar Pradesh and also other States, Central Government, other Government Authorities, Agencies, Associations in respect of policy and operational issues related to Cane and Governance related matters.*
- iv. Guiding and managing the Morale and Spirit of MSL in this very difficult period for Sugar Industry in U.P.*
- v. Advising on Group Strategy decisions.*
- vi. Advising on Restructuring of Business including obtaining approval from Lenders, BIFR, Other Creditors, etc."*

- 14.7. I note that the aforesaid terms of engagement of late Mr. Shriram were broad in nature and enabled late Mr. Shriram to provide inputs, advice and instructions across almost all aspects of the operations of the company. It is evident that late Mr. Shriram was entrusted by the Board with access to information necessary for providing guidance on matters encompassing the

company's operations, strategy and regulatory interactions. I also note that Noticees have submitted letters dated March 17, 2017 and August 01, 2017 to substantiate that late Mr. Shriram was involved in active discussions with government authorities to formulate a Sugarcane price linked with Sugar price formula. Further, Noticees have submitted letters dated December 14, 2016, April 25, 2017 and May 09, 2017 as part of reply to the SCN to substantiate that late Mr. Shriram was in frequent interaction with the representatives from banking institutions in his capacity as 'Special Advisor' on various matters including on one-time settlement proposals, release of encumbrances on company's assets, formulation of 'Sugarcane price linked Sugar price formula' etc.

- 14.8. Keeping the above in backdrop, I note that estimated figures in respect of the unaudited quarterly results of the company were provided to late Mr. Shriram for the quarters of March, 2017, June, 2017 by Noticee 1 (erstwhile CFO) and for December 2017 by the Noticee 2 (then CFO) shortly after the end of the respective Quarter. The details of the emails through which this information was provided to late Mr. Shriram are as under:

Quarter Ended (Date)	Date of Email	Sender	Whether Mr. Siddharth Shriram in 'To'/'CC'	Other recipients	Subject	Results Declared on
March 31, 2017	20/04/2017	Dr. Anil Arora	CC	A K Mehra, R K Gangwar, Vani Chandrashekhar, Vineet Khurana, Anoop Poswal, Amit Kakkar, Tushar Bhatt	Results_Y.E. /Q.E March 2017	09/06/2017
June 30, 2017	03/08/2017	Dr. Anil Arora	To	A K Mehra, R K Gangwar, Vani Chandrashekhar, Vineet Khurana, Anoop Poswal, Amit Kakkar, Tushar Bhatt	EBITDA - Q.E. June30, 2017 vis-à-vis June 30, 2016	11/09/2017
December 31, 2017	12/01/2018	Mr. B B Mehta	To	A K Mehra, R K Gangwar, Anil Arora	Results_Q.E . December 2017	13/02/2018

- 14.9. I note from material available on record that estimated figures in respect of the unaudited quarterly results of the company were provided to late Mr. Shriram for the quarters of March, 2017, June, 2017 (both preceding the UPSI period during which trading by Mr. Shriram has been alleged i.e.

October 12, 2017 to November 24, 2017 while in possession of UPSI related to the quarterly results of MSL for quarter ending September 30, 2017.) Further, apart from the UPSI related to the quarterly results of MSL, various other information was being provided to late Mr. Shriram which interalia included cash flow estimates, working capital requirement, sugar sales review, cane collection statement, cane payment position, MSL Business review, Daily sugar business report, summary of MSL sugar operation, working capital requirement etc. The aforesaid indicates that the erstwhile CFO disseminated information to late Mr Shriram on a routine and continuous basis, irrespective of whether such periods were qualified as UPSI period. I also note from the material available on record that late Mr. Shriram was a permanent attendee at the meetings of the Audit Committee of the company and he also attended the Board meetings where the issues related to the management, operations and finances of the company were discussed. Thus, given the wide ranging areas related to the company's operations on which Mr. Shriram was required to advise, it would be reasonable to conclude that the flow of information to late Mr. Shriram in respect of the company's operations was a continuous and regular flow of information necessary for him to perform his duties as a Special Advisor to the company and it was not a one time flow of information designed to coincide with market events or any trading activity. In this regard, I also note from the submissions of the noticees in their common submission dated November 21, 2025, as mentioned at paragraph 17 of this order above, explaining the circumstances under which Mr. Shriram tendered his resignation as the Chairman and Managing Director of the company on July 31, 2014 and his subsequent appointment as Special Advisor to the company from October 20, 2014 to October 19, 2017 and his re-appointment as Special Advisor to the company from October 20, 2017.

- 14.10. In view of the above, communication of information regarding estimated figures in respect of the unaudited quarterly results of the company appears to stem from the scope of authority expressly granted to late Mr. Shriram by

the Board of the company vide engagement letter October 20, 2014 which was further extended vide Board Resolution Dated September 11, 2017. In view of broad mandate conferred upon late Mr. Shriram, it is reasonable to conclude that both the Noticees (Noticee 1 and 2) acted in good faith under a reasonable belief that sharing the aforesaid information was essential for enabling late Mr. Shriram to effectively discharge his responsibilities as Special Advisor and therefore, action of Noticee 1 and 2 falls within the scope of communication “in furtherance of legitimate purpose” as envisaged under Regulation 3(1) of the PIT Regulations. Given the overall context of the instant case I cannot but agree with the contention of the noticees that “*As Special Advisor, he was expected to provide timely and informed guidance on matters relating to operations, manufacturing, business development, and potential capital requirements from investors or government bodies. His engagements with government authorities and banking institutions further required him to be fully apprised of the Company’s financial and operational status so that he could substantiate the issues under discussion, accurately contextualize the Company’s position, and meaningfully contribute to strategic decision-making.*”

14.11. I also note that material on records is insufficient to establish that there was any collusion between the Noticee 1, Noticee 2 and late Mr. Shriram which prompted them to share the aforesaid information with Mr. Shriram. No such allegation has been made by SEBI in its Investigation Report. Also, there is no allegation in the Investigation Report regarding any personal gain made by the noticees out of the information shared with late Mr. Shriram. In this regard, it is pertinent to refer an order of Hon’ble SAT dated November 19, 2009, in the matter of **Dilip S. Pendse v. SEBI**, Appeal No. 80 of 2009 which observed as follows:

“13. The charge of insider trading is one of the most serious charges in relation to the securities market and having regard to the gravity of this wrong doing, higher must be the preponderance of probabilities in establishing the same.

In Mousam Singha Roy v. State of West Bengal (2003) 12 SCC 377, the learned judges of the Supreme Court in the context of the administration of criminal justice observed that, "It is also a settled principle of criminal jurisprudence that the more serious the offence, the stricter the degree of proof, since a higher degree of assurance is required to convict the accused." This principle applies to civil cases as well where the charge is to be established not beyond reasonable doubt but on the preponderance of probabilities. The measure of proof in civil or criminal cases is not an absolute standard and within each standard there are degrees of probability."

14.12. In this regard, it is also noted that SEBI Order dated February 18, 2025 has inter alia stated the following:

"40. In view of abovementioned emails and the presence of SS in all the meetings of the Board of Directors of the company coupled with the facts that he was the largest shareholder, ex-Chairman and Managing Director and his mandate as Special Advisor to the company, I find that he enjoyed a key position in the affairs of the company.....".

14.13. It is also seen from the minutes of the Board meeting of the company dated 20.10.2014 that Mr. Shriram was also authorized as one of the persons to operate the current account and also locker of the company. This further reinforces the position that even though late Mr. Shriram was not an employee of the company, he was having a significant say in the affairs of the company by virtue of his position as a Special Advisor to the company and therefore, required the aforesaid information in respect of the company to enable him to discharge his duties as a Special Advisor.

14.14. In view of the above stated position, I am inclined to give benefit of doubt to Noticee 1 and 2. I also note that lawful sharing of UPSI for a legitimate purpose as per regulation 3(1) of PIT Regulations does not negate or override the insider's subsequent individual responsibility under Regulation 4(1) of PIT regulations. In other words, the mere possession of UPSI regardless of how or for which purpose it was acquired or shared, triggers

the absolute restriction on trading and it is the insider's paramount responsibility under these regulations to refrain himself from trading while in possession of UPSI. However, while the insider is individually responsible for trading while in possession of UPSI, the liability of the said insider trading in such a manner cannot be fastened onto the communication of UPSI done in good faith for legitimate business purpose.

14.15. As regard Noticee 3, in the instant matter the alleged violation with respect to the Noticee 3 is dependent upon the successful establishment of the alleged violation in respect of the Noticee 1 and 2. As the alleged violation with respect to Noticee 1 and 2 has not been established, the allegation against Noticee 3 cannot stand on its own.

14.16. In view of the above:

- i) The allegation as regards Noticee 1 that Noticee 1 communicated UPSI related to advance quarterly estimates of Q.E. March 31, 2017 and June 30, 2017 to Mr. Siddharth Shriram and also allowed Mr. Shriram to have access to the UPSI related to advanced quarterly estimates of Quarters ending September 30, 2017 and December 31, 2017, and therefore, Noticee 1 violated Regulation 3(1) of SEBI PIT Regulations, 2015 and Section 12A(e) of SEBI Act, 1992, does not stand established.
- ii) The allegation as regards Noticee 2 that Noticee 2 communicated UPSI related to advance quarterly estimates of Q.E. December 31, 2017 to Mr. Siddharth Shriram, and therefore, Noticee 2 had violated Regulation 3(1) of SEBI PIT Regulations, 2015 and Section 12A(e) of SEBI Act, 1992, does not stand established.
- iii) The allegation as regards Noticee 3, as Company Secretary and Compliance officer, failed to ensure that Mr. Siddharth Shriram did not have access to UPSI related to advance estimates of quarterly performance for Q.E. March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017 which was not part of his mandate as

Special Advisor, and thus Noticee 3, as Company Secretary and Compliance Officer, has failed to administer the “Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information” of Mawana Sugars Ltd and monitor compliance with the aforesaid code’s requirements, and therefore, Noticee 3 violated Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of Mawana Sugars Ltd read with Regulation 9(3) of SEBI PIT Regulations, 2015 and Section 12A(e) of SEBI Act, 1992, does not stand established.

15. In view thereof, having regard to the totality of facts and circumstances of the matter, the material available on record and submissions of the Noticees, I am inclined to allow the benefit of doubt to the Noticees in this regard and accordingly, I note that alleged violation in respect of the Noticees does not stand established.
16. Since the alleged violation in respect of the Noticee 1, 2 and 3 is not established, I find that the Issue No. II and Issue No. III require no further consideration.
17. In their submissions, the Noticees have made several other contentions, e.g. the Company’s quarterly financial results in question had already been disclosed to the stock exchanges at the time the trades were executed; that the Noticees had neither dealt with the company’s shares during the specified period nor made any personal gain from the alleged sale by late Mr. Shriram of the Company’s securities; that the information shared with late Mr. Shriram were merely estimates and projections prepared by the Company’s management in relation to the Company’s business performance and these projections and estimates varied significantly each month, actual disclosures varied from the estimates shared with Mr. Shriram. Further, Noticee 3 had contented that he was not marked on the emails which were issued by Dr. Arora and Mr. Mehta, to late Mr. Shriram. Therefore, he was not aware of any

communication. In this regard, since the allegations against the Noticees have not been established, I do not find it necessary to deal with these contentions.

18. It may be noted that the view taken in this order is based on the specific facts and circumstances of this case. Communication of UPSI *in furtherance of legitimate purposes, performance of duties or discharge of legal obligations* in terms of the PIT Regulations in every particular case is a matter of judgement taking into consideration the facts and circumstances of each individual case and therefore, the conclusions drawn in this Order may not be applicable in other cases which require such judgement to be made.

E. ORDER

19. Accordingly, after taking into account the aforesaid findings and in exercise of powers conferred upon me under Section 15-I of SEBI Act read with Rule 5 of the Adjudication Rules, the Adjudication proceedings against the Noticee 1, 2 and 3 initiated vide SCN dated September 13, 2023, stand disposed of without imposition of any monetary penalty.
20. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees and also to the Securities and Exchange Board of India.

PLACE: MUMBAI
DATE: December 17, 2025

SUDEEP MISHRA
ADJUDICATING OFFICER