

National Stock Exchange of India

Circular

| Department: Investigation | |
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| Download Ref No: NSE/INVG/65819 | Date: December 26, 2024 |
| Circular Ref. No: 425/2024 | |

To All NSE Members,

Sub: SEBI directions in reference to SAT order in the matter of Binny Ltd.

This has reference to NSE circular no. NSE/INVG/63204 dated August 01, 2024 in respect of SEBI Order No. QJA/GR/CFID/CFID/30579/2024-25 dated July 31, 2024, wherein SEBI has debarred entities from accessing the securities market and are also prohibited from buying, selling and otherwise dealing in the securities market, directly or indirectly, in any manner whatsoever, for the period mentioned in SEBI order.

| Sr. No. | Name | PAN |
|---------|-----------------|------------|
| 1 | Mr. Nate Nandha | AACPN7263L |

SAT at para no. 7 (iv) of SAT order dated November 26, 2024, has directed that directions issued at 320(d) of SEBI order dated July 31, 2024 shall remain stayed subject to deposit of 50% of the penalty amount within four weeks from today.

SEBI vide email dated December 26, 2024, has confirmed that above entity has deposited the penalty amount as per directions of SAT order and directed MIIs to comply with directions of SAT order.

The detailed order is available on SAT website (<https://satweb.sat.gov.in/orders>).

Further, the consolidated list of such entities is available on the Exchange website <http://www.nseindia.com> home page at the below mentioned link:

<https://www.nseindia.com/regulations/member-sebi-debarred-entities>



National Stock Exchange of India

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

**For and on behalf of
National Stock Exchange of India Limited**

**Sandesh Sawant
Senior Manager**

Annexure: SEBI directions in reference to SAT order in the matter of Binny Ltd

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date : 26.11.2024

Appeal No. 595 of 2024

And

Misc. Application No. 1210 of 2024

Mr. Arvind Nandagopal

..... Appellant

Versus

Securities & Exchange Board of India

... Respondent

Mr. Gaurav Joshi, Senior Advocate with Mr. Kunal Katariya, Ms. Ashmita Goradia, Mr. Sahebrao Wamanrao Buktare, Advocates and Mr. Shardul Shah, CA i/b Shah & Ramaiya for the Appellant.

Ms. Shreya Parikh, Advocate with Ms. Prapti Kedia, Mr. Ratan Singh, Ms. Neha Rautela, Advocates i/b Agama Law Associates for the Respondent.

With

Appeal No. 596 of 2024

And

Misc. Application No. 1211 of 2024

Binny Ltd. & Anr.

..... Appellants

Versus

Securities & Exchange Board of India

... Respondent

Mr. Vikram Nankani, Senior Advocate with Mr. Kunal Katariya, Ms. Ashmita Goradia, Mr. Sahebrao Wamanrao Buktare, Advocates and Mr. Shardul Shah, CA i/b Shah & Ramaiya for the Appellant.

Mr. Shiraz Rustomjee, Senior Advocate with Ms. Prapti Kedia, Mr. Ratan Singh, Ms. Neha Rautela, Advocates i/b Agama Law Associates for the Respondent.

ORDER :

1. Admit.

2. We have heard Shri Vikram Nankani, learned senior advocate for the noticee Nos. 1 and 2 and Shri Gaurav Joshi, learned senior advocate for the noticee No. 3 and Mr. Shiraz Rustomjee, learned senior advocate alongwith Ms. Shreya Parikh, learned advocate for the respondent.

3. Briefly stated facts of the case are, it is alleged that Binny Ltd. made payments amounting to Rs. 329 crore purported to certain vendors. Out of the said amount, the said vendors transferred Rs. 148 crore to Mohan Breweries and Distilleries (AP) Pvt. Ltd. ('Mohan Breweries' for short) a group company of the appellant. Finally, Mohan Breweries took over entire liability of Rs. 329 crore of such vendors. In addition, Binny paid another sum of Rs. 383 crore to Mohan Breweries. Thus, in all Binny has paid Rs. 707 crore to Mohan Breweries. SEBI's contention is that these transactions are related party transactions allegedly for siphoning off the fund, and it has directed the Binny to bring back the said amount.

4. Shri Nankani's contention on behalf of the noticee Nos. 1 and 2 is that the Mohan Breweries have transferred land worth of Rs. 712 crore by way of 'agreement to sell' and 'power of attorneys' and the said amount of Rs. 707 Crore is part-consideration thereof.

5. Shri Rustomjee contended that the alleged transfer of land under an agreement does not confer any title to Binny. We, *prima-facie*, agree with him.

6. Both Shri Nankani and Shri Gaurav Joshi submitted that noticees No. 2 desires to transfer his shares to his son, namely, notice no. 3.

7. Having heard the learned advocates on both sides, we pass the following interim order :

- i. Direction at paragraph No. 320(a) of the impugned order shall remain stayed for a period of three months. Noticee no. 1 shall produce all the purported title documents before the SEBI for its evaluation with regard to lawful transfer, ownership, etc.
- ii. Direction at paragraph No. 320(b) of the impugned order shall be modified and noticee no. 2 is permitted to transfer his shares in favour of his son, if he so desires. There shall be no further transaction in those shares.
- iii. Regarding direction No. 320(c), Shri Rustomjee has brought to our notice an order passed by the Madras High Court in CMP No. 24465 of 2024 in OSA No. 116 of 2024. By the said order, the Hon'ble High Court has appointed Justice M. Sathyanarayanan as the Chairman

of the Board of Directors and to conduct an EGM till a decision is taken by the shareholders in the next EGM.

This is pending before the Madras High Court, therefore, the direction at 320(c) does not require any interference.

- iv. Direction at 320(d) shall remain stayed subject to deposit of 50% of the penalty amount within four weeks from today.
- v. The appellants shall be at liberty to approach this Tribunal after EGM is conducted.
- vi. Stay applications are disposed of.

8. Respondent is allowed six weeks' time to file reply. Three weeks' thereafter to file rejoinder. By consent, call on January 23, 2025.

Justice P. S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

26.11.2024
PTM