

**IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI**

DATED THIS THE 20TH DAY OF FEBRUARY, 2026

**CORAM: Justice P.S. Dinesh Kumar, Presiding Officer
Ms. Meera Swarup, Technical Member
Dr. Dheeraj Bhatnagar, Technical Member**

Appeal No.90 of 2024

[Along with Misc. Application No.42 of 2024]

Som Distilleries & Breweries Ltd.
I-A Zee Plaza, Arjun Nagar, Safadarjung
Enclave, Kamal Cinema Road,
New Delhi-110029.

...Appellant

(By Mr. Kunal Mehta, Advocate for the Appellant.)

Securities and Exchange Board of India
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai-400051.

...Respondent

(By Mr. Vishal Kanade, Advocate with Ms. Nidhi Singh, Ms. Komal Shah and Mr. Nishin Shrikhande, Advocates i/b. Vidhii Partners for the Respondent.)

THIS APPEAL IS FILED UNDER SECTION 15T OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 TO SET ASIDE ORDER DATED NOVEMBER 30, 2023 PASSED BY THE AO, SEBI.

THIS APPEAL HAVING BEEN HEARD AND RESERVED FOR ORDERS ON FEBRUARY 12, 2026 COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

Per: Justice P. S. Dinesh Kumar, Presiding Officer

This appeal is directed against order dated November 30, 2023, passed by the AO¹, SEBI² imposing a penalty of ₹5 Lakhs on the appellant for violation of the SEBI Act, 1992³ and SEBI (LODR) Regulations, 2015⁴.

2. We have heard Mr. Kunal Mehta, learned Advocate for the appellant and Mr. Vishal Kanade, learned Advocate for the SEBI.

3. Brief facts of the case are, appellant is a listed company. Upon receipt of a SCORES complaint, SEBI conducted an examination to ascertain possible violation of LODR Regulations for the period between December 9, 2022 and February 2, 2023 and issued a show cause notice⁵ alleging *inter alia* that (i) On December 9, 2023, the Board of Directors of the company had approved an expansion plan of approximately ₹100 Crores for setting up new facilities at Bhopal and Hasan plant; and approved raising of capital through issue of convertible equity warrants to the promoters/promoters group on preferential basis by issuing upto 65,000 warrants convertible into equity shares of ₹5 each at a price of ₹142 (including premium of ₹137); (ii) the company made a corporate announcement on December 15,

¹ Adjudicating Officer

² Securities and Exchange Board of India

³ Securities and Exchange Board of India Act, 1992

⁴ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

⁵ Dated 4.9.2023

2022 for an EGM⁶ of members to be held on January 7, 2023 for consideration and approval of convertible equity warrants; (iii) company made an announcement on January 2, 2023 stating that the EGM was cancelled owing to unforeseen and unavoidable circumstances; (iv) on January 27, 2023, the Company uploaded an audio recording and its transcript on February 2, 2023, which showed that in the introductory message to the investors, Company's Finance Director had said that due to the lesser needs of funds towards capex the preferential issue had been deferred.

4. In this appeal, we are concerned with the violation of LODR with regard to lack of disclosure of the reasons for cancellation of EGM meeting scheduled on January 7, 2023 for approving the issue of convertible equity warrants for expansion plan of about ₹100 Crores.

5. Appellant, in its reply denied all the allegations. After adjudication, the impugned has been passed imposing penalty.

6. Mr. Kunal Mehta, learned Advocate for the appellant submitted that the issue of convertible equity warrants was to be considered and approved in the EGM scheduled on January 7, 2023. That meeting had to be cancelled due to *unavoidable and unforeseen circumstances*. The information with regard to cancellation of the meeting has been disclosed. Therefore, there is no irregularity or violation of any provision of law warranting imposition of penalty.

⁶ Extraordinary General Meeting

7. Mr. Kanade, learned Advocate for the SEBI argued opposing the appeal.

8. We have carefully considered the rival contentions and perused the records.

9. Facts which are not in dispute are, the first corporate announcement was made on December 9, 2022 informing about the Board's decision to raise approximately ₹100 Crores for the expansion plan by issuing convertible equity warrants. The next corporate announcement was on December 15, 2022, stating that EGM of members will be held on January 7, 2023 for consideration and approval for issue of convertible equity warrants. The next corporate announcement was on January 2, 2023, stating that the meeting scheduled on January 7, 2023 was cancelled. The relevant LODR Regulations reads as follows:

“Principles governing disclosures and obligations.

4. (1) The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:

(c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.

(d) The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.

(e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are **adequate, accurate, explicit, timely and presented in a simple language**.

(f) Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by investors.”

“Disclosure of events or information.

30.(2) Events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events.

.....

(6) The listed entity shall first disclose to the stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty-four hours from the occurrence of event or following:

Provided that in case the disclosure is made after twenty-four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay:

Provided that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within the timelines specified therein:

(7) The listed entity shall, with respect to disclosures referred to in this regulation, **make disclosures updating material developments on a regular basis, till such time the event is resolved/closed**, with relevant explanations.

.....

[emphasis added]

Schedule III of SEBI LODR Regulations

“Para A of Part A- Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

.....

d) the **decision with respect to fund raising proposed to be undertaken**

.....

[emphasis added]”

10. A corporate announcement with regard to any expansion of facilities shall have impact on Company's share price. Admitted position is, Company made an announcement that the Board of Directors had decided to raise ₹100 Crores by issuing convertible equity warrants. The next announcement was that an EGM was scheduled to consider and approve the issuance of convertible equity warrants. It is relevant to note that the first announcement was on December 9, 2022 and the meeting was scheduled to be held after nearly one month i.e. on January 7, 2023. As noted hereinabove, once the corporate announcement indicating expansion is announced, there is possibility of increase in the share price. On January 2, 2023, a clever announcement was made stating that the meeting was cancelled. That would not disclose a clear message that Company had cancelled its proposal to issue convertible equity warrants.

11. The reason given for cancelling the meeting is *unforeseen or unavoidable circumstances*. But, it is relevant to note that in the announcement made on January 27, 2023, the Director Finance has stated that the preferential issue had been deferred due to lesser needs of the funds. Thus, the reasons for cancellation of meeting disclosed on January 2 and 27, 2023 are completely different.

12. The LODR Regulations extracted hereinabove requires listed companies to make adequate and accurate disclosures in simple language. Here is a case, the Company in its first corporate announcement gave an impression that convertible equity warrants would be issued to raise ₹100 Crores and nearly after one month a clever announcement was made stating that the 'meeting was cancelled' due to unforeseen circumstances,

whereas the actual reason was lesser need of funds. But the most relevant and important aspect is giving an impression to the investors that the Company was proposing expansion of ₹100 Crores and not clearly intimating the cancellation of that proposal. In these circumstances, the AO has rightly held⁷ that it is difficult to quantify the disproportionate gains made by the appellant and imposed the monetary penalty.

13. In view of undisputed facts recorded hereinabove, no exception can be taken with the impugned order. In the result, this appeal fails and is accordingly ***dismissed***.

14. Pending interlocutory application(s), if any, stands disposed of. No costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

20.02.2026
RHN

⁷ Para 32 of the impugned order