

# SVKM'S NMIMS, NAVI MUMBAI'S



MOOT COURT COMMITTEE

<sup>th</sup> presents

# 5<sup>th</sup> ANNUAL MOOT COURT COMPETITION

28TH & 29TH  
MARCH,  
2026



CO-TITLE SPONSOR



MEDIA PARTNER

PROPOSITION

## SECURITIES APPELLATE TRIBUNAL

### ARYANA

Conjoined Appeals arising from orders of the  
Securities and Exchange Board of Aryana

**Appeal No. 1:** Zenga Investment & Services Ltd. v. Securities & Exchange Board of Aryana

**Appeal No. 2:** Bretta Infocomm Services Ltd. & Anr. v. Securities & Exchange Board of  
Aryana

1. Bretta Group is one of the leading conglomerates of the nation of Aryana. Its flagship company, **Bretta Sons Limited ("BSL")**, is a public unlisted company and serves as the parent and holding company of numerous subsidiaries and step-down subsidiaries, several of which are public listed companies trading on the two prominent stock exchanges of Aryana, namely the **Aryana Stock Exchange ("ASE")** and the **Imperial Stock Exchange ("ISE")**. The listed companies of Aryana are regulated by the **Securities and Exchange Board of Aryana ("SEBA")**, which has enacted, inter alia, the SEBA (Substantial Acquisition of Shares and Takeovers) Regulations ("**SAST Regulations**") and the SEBA (Prohibition of Insider Trading) Regulations ("**PIT Regulations**"), both of which mirror their Indian counterparts in all material respects.
2. The shareholding of BSL is owned and controlled by two prominent business families of Aryana, the **Himadis** and the **Ratanwalas**. The shareholding is held through individual family members as well as private family trusts of which the respective family members are the named beneficiaries. One such vehicle, the **Ratanwala Family Heritage Trust ("RFHT")**, holds equity shares of BSL classified as part of the promoter group. The RFHT names multiple members of the Ratanwala family, including both the principal branch and fragmented branches, as co-beneficiaries, with no single beneficiary having any exclusive or independent right over any specific block of shares held by the trust. All decisions regarding the exercise of voting rights attaching to the shares held by the RFHT vest exclusively with the trustees under the terms of the trust deed.

3. **Zenga Investment & Services Limited ("ZISL")**, a public listed company engaged in the business of investments in shares and securities, is an existing shareholder of BSL holding 23.68% of its equity share capital. Meena Ratanwala, a member of a fragmented branch of the Ratanwala family, holds 2.60% of the equity shares of BSL directly in her own name. A further 2.65% of the equity shares of BSL is held through the RFHT, of which Meena Ratanwala is a co-beneficiary. Both blocks of shares are classified as forming part of the promoter group of BSL. The shareholding pattern of BSL as on the relevant date is set out hereunder:

Particulars	No. of Shares	Percentage (%)
Meena Ratanwala (Direct Holding)	79,170	2.60%
Ratanwala Family Heritage Trust (RFHT), Meena Ratanwala as co-beneficiary	81,000	2.65%
Other Promoter Group of BSL	19,82,772	65.05%
ZISL	7,21,712	23.68%
PAC / Deemed PACs with ZISL	5,112	0.17%
Other Public Shareholders	1,78,318	5.85%
<b>Total</b>	<b>30,48,084</b>	<b>100%</b>

4. Meena Ratanwala, asserting that she is estranged from the main branch of the Ratanwala family, holds no board seat in BSL or any of its group companies, exercises no special rights under the articles of association or any shareholders' agreement of BSL, and plays no role in the management or affairs of BSL in any capacity, filed an application before SEBA for her **reclassification as a public shareholder** under SEBA's Circular on Reclassification of Promoters. She further contended that her status as a co-beneficiary under the RFHT does not, in law, give her any right of control over the trust corpus or over the manner in which the trustees exercise the voting rights attaching to the shares held by the trust.

5. SEBA rejected Meena Ratanwala's application by order dated **5 August 2024**, on the following grounds: (i) the RFHT, as a trust vehicle, is classified as part of the promoter group of BSL; (ii) as a co-beneficiary of the RFHT, Meena Ratanwala is presumed under Regulation 2(1)(q)(2) of the SAST Regulations to be acting in concert with other Ratanwala family members and promoter group entities by reason of their common family relationship; (iii) the arrangement to sell her direct shares and her beneficial interest in the RFHT shares to ZISL was entered into shortly after the filing of the reclassification application, indicating that the application was made with the intent to sidestep obligations under the SAST Regulations; and (iv) permitting reclassification in such circumstances would frustrate the protective purpose of the SAST Regulations. Aggrieved, Meena Ratanwala has preferred an appeal before SAT, which has been tagged for hearing along with the present appeals.
6. Pursuant to the arrangement between Meena Ratanwala and ZISL for the acquisition of the aforesaid shareholding, comprising both her direct holding and her beneficial interest in the RFHT shares, ZISL was required to make a **mandatory open offer** in compliance with Regulations 3(1) and other applicable provisions of the SAST Regulations. Accordingly, ZISL made a public announcement to acquire up to **1,78,318 equity shares of BSL** of face value Rs. 10/- each at a price of **Rs. 4,100/- per equity share**, representing 5.85% of the fully diluted voting equity share capital of BSL, from public shareholders other than parties to the underlying agreement and their deemed persons acting in concert ("PAC").
7. Following the public announcement of the Open Offer on **12 September 2024**, SEBA's surveillance wing detected a pattern of unusual secondary market buying in BSL shares during the open offer period. The entities identified were **Zeta Holdings Limited** and **Crest Capital Advisors Private Limited**, both of which were found by SEBA to be connected with ZISL through a common investment manager and an overlapping pattern of ultimate beneficial ownership. Between 15 September 2024 and 10 October 2024, these entities cumulatively purchased **62,000 equity shares of BSL** at prices progressively rising from Rs. 3,820/- to Rs. 4,060/- per share. SEBA was of the view that these co-ordinated purchases had the effect of artificially elevating BSL's prevailing market price during the open offer period, which forms one of the parameters for computing the offer price under Regulation 8 of the SAST Regulations. The computed offer price of Rs. 4,100/- was, SEBA alleged, directly influenced by this price inflation. SEBA accordingly initiated a

separate investigation into potential violations of the SEBA (Prohibition of Fraudulent and Unfair Trade Practices) Regulations ("**FUTP Regulations**") and issued show cause notices to ZISL, Zeta Holdings Limited, and Crest Capital Advisors Private Limited.

8. In compliance with Regulation 17 of the SAST Regulations, ZISL deposited the amount payable in relation to the Open Offer in the designated escrow account on **19 September 2024**. On **28 September 2024**, certain Other Promoters of BSL wrote to ZISL asserting that they were not acting in concert with Meena Ratanwala in connection with the underlying sale arrangement and that they ought therefore to be included within the offer size of the Open Offer. ZISL, by letters dated **28 September 2024 and 3 October 2024**, replied that Regulation 7(6) of the SAST Regulations mandatorily requires the exclusion of parties to the underlying agreement and their deemed PACs from the offer size, and that the Other Promoters fell within the definition of deemed PACs under Regulation 2(1)(q)(2) of the SAST Regulations by virtue of their common family relationship and shared promoter group classification.
9. By a letter dated **1 February 2025**, SEBA directed ZISL to expand the Open Offer size to include the Other Promoters. This direction was issued without a prior show cause notice to ZISL and without affording it any opportunity of hearing. No exceptional circumstance was recorded by SEBA to justify the bypass of this procedure. ZISL has challenged this direction before SAT on the grounds, inter alia, that the direction violates the principles of natural justice, is procedurally irregular, and was issued after inordinate and unexplained delay, having been made only in February 2025 despite SEBA having received the relevant correspondence as early as September 2024.
10. ZISL and Meena Ratanwala filed Appeal No. 1 before SAT on **14 March 2025**. SAT, by order dated **2 April 2025**, issued notice to SEBA and directed that the Open Offer size shall not be expanded pending the disposal of the appeal (**Status Quo Order**). SEBA filed its reply to the appeal on **16 June 2025**, contesting the appeals on merits and defending the direction dated 1 February 2025 as being within its powers under the SAST Regulations. SEBA did not seek vacation of the Status Quo Order. The appeal remains pending before SAT.

11. Meanwhile, the most prominent subsidiary of BSL is **Bretta Infocomm Services Limited** ("**BISL**"), the country's largest software company, listed on both ASE and ISE. BISL is a professionally managed company. One member each from the Himadi and Ratanwala families serve as non-executive directors on BISL's Board of Directors. In its Board meeting held on **17 September 2025**, BISL's Board resolved to explore a potential capital raise from international institutional investors through a Qualified Institutional Placement or Global Depository Receipt mechanism (the "**Fund Raise**"). The Board authorised the management to initiate preparatory work, engage external advisors, and prepare financial models for evaluation at a subsequent Board meeting. No public disclosure of the Fund Raise was made at this stage.
12. Following the Board meeting of 17 September 2025, BISL's internal treasury team, which had been assigned the task of preparing financial projections, equity dilution models, and funding timelines in connection with the Fund Raise, shared certain non-public financial data, including projected revenue growth rates, anticipated issue size, expected dilution, and proposed timelines, with the **Group Treasury division of BSL**, its holding company. This was done purportedly as part of routine inter-group financial planning and consolidated cash management. The communication occurred across what BISL's Code of Conduct expressly designated as an internal **information barrier** separating BISL's project team from BSL's corporate entities. BSL's Group Treasury, upon receiving this data, proceeded to acquire **1,15,000 equity shares of BISL** through its proprietary investment book across three trading sessions, well before any public announcement of the Fund Raise. SEBA, upon investigation, recovered email chains and internal records establishing the precise flow of information from BISL's treasury team to BSL's Group Treasury, and issued show cause notices to the members of BISL's treasury team as "**connected persons**" and to BSL as an "**insider**" under the PIT Regulations.
13. Around the same time, during a series of private dinner meetings held between October and December 2025, serious differences of opinion arose between senior members of the Himadi and Ratanwala families concerning the long-term direction of BSL and its group companies. In particular, certain members of the Ratanwala family threatened to vote against specific resolutions proposed to be placed before BSL's upcoming general meeting,

resolutions whose passage was a necessary condition for the completion of the Fund Raise by BISL. These differences, and their potential bearing on the Fund Raise, were not communicated to the Board, management, or compliance function of BISL. The Board of Directors and the Compliance Officer of BISL had no knowledge of the existence or nature of these disputes at the time they were taking place.

14. The only individuals present at these private family meetings, apart from the family members themselves, were the household butlers employed in the residences of the Himadi and Ratanwala families. These butlers had no knowledge of the Fund Raise, no understanding of BISL's capital market transactions, and no appreciation of the possible effect of such disputes on the price of BISL's shares. Certain of these butlers shared what they had overheard with members of their own families. Driven by a general apprehension that family-level discord might cause BISL's share price to fall, some relatives of the butlers sold their existing holdings of BISL shares in the secondary market.
15. One of the butlers employed in the Himadi household further passed on information regarding the family disputes to his nephew, **Mr. Arjun Mehta**, a person with no known connection to BISL or to any capital market participant. Mr. Mehta thereafter communicated this information to his long-standing business associate, **Mr. Kabir Shah**, a director of **Vega Commodities Private Limited ("VCPL")**, a domestic private company engaged in commodity trading. Acting on this information, the following chain of transactions was put into effect:
  - (a) **VCPL** remitted funds to its wholly-owned subsidiary incorporated in Mauritius, **Vega International Holdings Ltd. ("VIHL")**, under the cover of a routine inter-company loan;
  - (b) **VIHL** subscribed to units of a fund domiciled in the Cayman Islands, **Archon Global Opportunities Fund ("AGOF")**, managed by an investment manager registered in Singapore;
  - (c) **AGOF**, through its India-focused sub-fund, **Archon India Special Situations Fund**, executed trades in **2,85,000 equity shares of BISL** on ISE through a duly registered Foreign Portfolio Investor ("FPI"); and

- (d) The timing and volume of these trades corresponded precisely with the period following the private family dinner meetings and prior to any public disclosure of the promoter disputes.
16. SEBA, acting through its cross-border information sharing framework under the IOSCO Multilateral Memorandum of Understanding and bilateral memoranda of understanding with the **Financial Services Commission of Mauritius** and the **Monetary Authority of Singapore**, traced the beneficial ownership of the FPI trades back through the chain: AGOF → VIHL → VCPL → Mr. Kabir Shah → Mr. Arjun Mehta → the butler. SEBA issued show cause notices to all entities and individuals in the chain on the basis of a chain of communication theory, invoking the statutory presumption under the PIT Regulations that once unpublished price sensitive information has been communicated to a person, any trades by that person are presumed to be on the basis of such information. SEBA extended this presumption to every link in the chain, including the FPI registered in a foreign jurisdiction. None of the entities in the offshore chain, VCPL, VIHL, AGOF, or the sub-fund, had any knowledge of the Fund Raise proposal or its possible effect on BISL's share price. Their decision to trade was based solely on general information about promoter-level discord communicated through Mr. Mehta.
17. The differences between the Himadi and Ratanwala families came to the formal knowledge of BISL's Board and senior management at a Board meeting held on **14 December, 2025**, following an escalation of the dispute in which one family sent a formal legal notice to the other concerning the conduct of BSL's general meeting. Following this Board meeting, the Compliance Officer of BISL did not direct the immediate closure of BISL's trading window, which remained open for a further **two trading days** before being closed. BISL's structured digital database ("SDD"), maintained under Regulation 9A of the PIT Regulations, did not contain any entry in respect of either the Fund Raise discussion at the Board level on 17 September 2025 or the promoter disputes, which had never been formally communicated to BISL's compliance function prior to the December 2025 Board meeting.
18. SEBA conducted a thorough investigation into the trading activities described above. BISL and its Compliance Officer extended full co-operation to SEBA and provided complete

access to board minutes, internal emails, the SDD, and all other relevant records. Despite the absence of any SDD entry for the promoter dispute and notwithstanding that neither BISL nor its Compliance Officer had any knowledge of the dispute while it was taking place, SEBA issued a **show cause notice-cum-interim order** imposing the following penalties: (i) **INR 50,00,000 (Rupees Fifty Lakhs)** on BISL; and (ii) **INR 5,00,000 (Rupees Five Lakhs)** on the Compliance Officer of BISL, for alleged violations of the PIT Regulations, including: (a) failure to maintain adequate entries in the SDD; (b) failure to close the trading window immediately upon the Board becoming aware of UPSI; (c) failure to maintain effective information barriers between BISL's project team and BSL's Group Treasury; and (d) alleged attribution of the acts of the butlers to BISL as an organisation.

19. BISL and its Compliance Officer filed Appeal No. 2 before SAT in **February 2026**. By order dated **3 March 2026**, SAT directed that the two appeals, Appeal No. 1 and Appeal No. 2, shall be heard together by a **Division Bench of two Members**. SAT also directed an interim stay of the operation of the penalties imposed by SEBA under the interim order pending the final disposal of Appeal No. 2, subject to BISL and its Compliance Officer furnishing an undertaking not to alienate assets up to the value of the penalties imposed. SEBA has filed its reply to Appeal No. 2 contesting the appeal on merits and praying for vacation of the interim stay. The present moot concerns the arguments to be advanced by the parties in these conjoined appeals.

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## **ISSUES FOR CONSIDERATION**

- Issue 1.** Whether the trust structure employed in the BSL promoter group, in particular the Ratanwala Family Heritage Trust, gives rise to a presumption of acting in concert under Regulation 2(1)(q)(2) of the SAST Regulations as between the trustees, the co-beneficiaries, and the broader promoter group; whether a co-beneficiary of a promoter group trust who exercises no management rights, holds no board seat, and has no control over the trust's exercise of voting rights is nonetheless a person acting in concert or a deemed PAC for the purposes of the SAST Regulations; and whether promoter-level

disputes, raised for the first time at the stage of sale of shareholding, may be relied upon to defeat a reclassification application or to determine PAC status and the consequential composition and size of the Open Offer under Regulation 7(6) of the SAST Regulations.

**Issue 2.** Whether SEBA was justified in directing the expansion of the Open Offer size without issuing a prior notice to ZISL, without affording it an opportunity of hearing, and in contravention of the procedure mandated under Circular No. SEBA/CIR/MRD/DP/ 24 /2014; whether the inordinate and unexplained delay on the part of SEBA in issuing the said direction renders it unsustainable in law; and whether co-ordinated secondary market purchases of BSL shares by entities allegedly connected with ZISL during the pendency of the Open Offer constitute market manipulation under the FUTP Regulations and, if so, what is the legal consequence for the validity of the Open Offer and the offer price computed thereunder.

**Issue 3.** Whether the Fund Raise proposal, as discussed and approved in principle at the Board meeting of BISL, constitutes Unpublished Price Sensitive Information under Regulation 2(1)(n) of the PIT Regulations; whether private promoter-level disputes, which were at no point known to or communicated to BISL's Board or compliance function, independently qualify as UPSI in relation to BISL; whether the communication of Fund Raise-related financial data by BISL's internal treasury team to BSL's Group Treasury across a designated internal information barrier constitutes an unlawful communication of UPSI under Regulation 3(1) of the PIT Regulations; and whether the failure of the Compliance Officer to close the trading window within the required period after the Board became aware of the promoter disputes constitutes a violation of Regulation 9 read with the Code of Conduct framed thereunder.

**Issue 4.** Whether information communicated through a multi-tiered cross-border chain passing from a domestic household employee through a private individual, a domestic company, a Mauritius subsidiary, a Cayman Islands fund, and ultimately a Singapore-managed FPI trading on an Indian stock exchange, retains its character as UPSI at each link so as to attract insider trading liability under the PIT Regulations; whether the statutory presumption of trading on the basis of UPSI can be extended to remote tippees and offshore entities that had no knowledge of the Fund Raise proposal or its possible effect on BISL's share price; whether SEBA's reliance on information obtained through the

IOSCO MoU and bilateral memoranda of understanding with foreign regulators satisfies the evidentiary threshold for establishing insider trading under Aryana law; and whether trades executed by the relatives of the butlers, without any knowledge of the Fund Raise or its price sensitivity, amount to insider trading under the PIT Regulations.

**Issue 5.** Whether BISL and its Compliance Officer can be held liable for the communication of information by domestic employees who are not connected persons under the PIT Regulations and whose acts were entirely outside BISL's knowledge or control; whether the absence of SDD entries in respect of matters of which BISL had no knowledge constitutes an independent violation of the PIT Regulations; and whether the penalties of INR 50,00,000 on BISL and INR 5,00,000 on its Compliance Officer are arbitrary, disproportionate, and unsustainable in law, having regard to the absence of any knowledge, intent, or failure attributable to BISL or its Compliance Officer.

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### **NOTES**

1. All laws applicable in the nation of Aryana mirror the laws of the Republic of India. All acts, rules, regulations, guidelines, and circulars of SEBA, including the PIT Regulations and the SAST Regulations, mirror the corresponding instruments of the Securities and Exchange Board of India in all material respects. Any reference to SEBI orders, SAT decisions, or Indian court judgments shall be treated as reference to the corresponding decisions of the equivalent bodies of Aryana.
2. Participants shall address all five issues framed above. Participants may raise sub-issues and ancillary questions of law arising from the facts of the proposition, provided such questions are germane to the conjoined appeals before SAT and do not introduce facts not found in the proposition.
3. The facts set out in this proposition are final and binding. No facts may be assumed, added, or modified by participants except to the extent expressly permitted by a Corrigendum. Participants are, however, free to draw reasonable inferences from the facts as stated.

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