

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date of Decision : 10.04.2017

**Misc. Application No. 120 of 2017
And
Appeal No. 42 of 2015**

1. Regenix Drugs Ltd.
Jamala Sonu Terrace,
#42B, Loganathan Nagar,
100 Feet Road,
Choolaimedu
Chennai-6000094

2. Ayyavu Ramamurthy
Managing Director,
Regenix Drugs Limited,
3-9-4, Arihant Majestic Towers,
100 Feet Road, Choolaimedu,
Chennai – 6000094.

...Appellants

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

...Respondent

WITH

**Misc. Application No. 121 of 2017
And
Appeal No. 43 of 2015**

Mr. Aravind Devanathan
726, 6th Bcross,
3rd Block, Kormangala,
Bangalore-560034.

...Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

...Respondent

WITH

**Misc. Application No. 122 of 2017
And
Appeal No. 44 of 2015**

Mr. Raju Gunasekaran
Director, Regenix Drugs Limited
54 B/2, Madhuram Colony,
Puthur, Trichy – 560034.

...Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

...Respondent

WITH

**Misc. Application No. 123 of 2017
And
Appeal No. 45 of 2015**

Mrs. Malathy Ramamurthy
No. 394, 100 Feet Road,
Arihant Mejestic Tower,
Koyambedu,
Chennai – 600107.

...Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

...Respondent

WITH

**Misc. Application No. 124 of 2017
And
Appeal No. 56 of 2015**

Mr. Govindarajan Venkatakrishna
Regenix Drugs Limited
42, Kathiresan Kovil Road,
Kovilpatti, 628502 – Tamil Nadu

...Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

...Respondent

**WITH
Misc. Application No. 125 of 2017
And
Appeal No. 57 of 2015**

Mr. Natarajan Arun
Old No. 23, New No. 12,
Customs Colony, Saidapet,
Chennai – 6000015.

...Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

...Respondent

**WITH
Misc. Application No. 126 of 2017
And
Appeal No. 58 of 2015**

Mr. Vishwas Vasant Pathak
C 302, Lotus Court,
Opp Vca Ground,
Civil Lines,
Nagpur – 440001.

...Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

...Respondent

**WITH
Misc. Application No. 146 of 2015
And
Appeal No. 181 of 2015**

Dr. R. Rukmani
D/o. C. Ramakrishnan
8/2A, Patel Road,
Virudhunagar – 626001.

...Appellant

Versus

1. Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

2. Regenix Drugs Limited
Jamala Sonu Terrace,
42, Loganathan Nagar,
Choolaimedu,
Chennai – 600094.

...Respondents

Mr. Vinay Chauhan, Advocate with Mr. K.C. Jacob, Advocate i/b Corporate Law Chambers India for Appellant in Appeal Nos. 42 to 45 of 2015, 56 to 58 of 2015.

Mr. Dipakar Livingstone, Advocate for the Appellant in Appeal No. 181 of 2015.

Mr. Pulkit Sukhramani, Advocate i/b The Law Point for the Respondent in Appeal Nos. 42 to 45 of 2015, 56 to 58 of 2015 and 181 of 2015.

CORAM : Jog Singh, Member
Dr. C.K.G. Nair, Member

Per : Jog Singh (Oral)

Appeal Nos. 42, 43, 44, 45, 56, 57 and 58 of 2015

1. These appeals have been preferred by the appellants namely Regenix Drugs Limited and its directors challenging the order passed by the Whole Time Member of Securities and Exchange Board of India ('SEBI' for short) on November 10, 2014 directing them to refund the money in question to the allottees with interest at the rate of 15% per annum. The appellants are stated to have violated the provisions of Section 73 read with Section 67(3) of the Companies Act, 1956 and also various provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000 ('DIP Guidelines' for short). Certain violations regarding SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('ICDR Regulations' for short) were also alleged to have been committed by the appellants.

2. Both the parties agree that during the pendency of these appeals the appellants have preferred settlement application dated November 30, 2016 for amicable resolution of the issue. Accordingly, the terms of settlement were in-principle approved by the HPAC of SEBI on March 20, 2017 and

appellants have also complied with the terms of settlement, inter alia, by paying Rs. 35,20,000/- towards the settlement charges and Rs. 9,17,640/- towards cost of legal expenses. Pursuant to the terms of Settlement appellants have also opened an escrow account remitting an amount of Rs. 93,70,653/- in Axis Bank. These facts are not disputed by learned counsel for SEBI.

3. In view of this admitted position the Tribunal accords its approval under Regulation 16(2) of the SEBI (Settlement of Administrative and Civil Proceedings) Regulation, 2014.

4. All these appeals accordingly stand disposed of in terms of above settlement. Similarly, Miscellaneous Application Nos. 120 to 126 of 2017 also stand disposed of.

Appeal No. 181 of 2015 with Misc. Application No. 146 of 2015

5. Misc. Application No. 146 of 2015 has been filed for condonation of 53 days delay in filing Appeal No. 181 of 2015 in question. For the reasons stated in this Miscellaneous Application, the delay is condoned, the Miscellaneous Application is, accordingly, disposed of.

6. This appeal has been preferred by one investor namely Dr. R. Rukmani to intervene in Appeal Nos. 42 of 2015. Mr. Dipakar Livingstone, learned counsel for the intervener fairly states that the appeal has become infructuous in view of the terms of settlement in the aforesaid bunch of appeals.

7. Accordingly, this appeal stands disposed of as having become infructuous in view of settlement in the aforesaid bunch of appeal. No costs.

Sd/-
Jog Singh
Member

Sd/-
Dr. C.K.G. Nair
Member

10.04.2017
Prepared and compared by:
msb