

**BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI**

Date of Decision: 17/08/2017

Appeal No.164 of 2016

Transgene Biotek Ltd.
having its registered office at
Plot 68, 69 & 70, IDA Bollaram
Medak – 502 325
Andhra Pradesh.

... 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
Appeal No.165 of 2016**

Dr. Koteshwara Rao
Chairman & Managing Director of
Transgene Biotek Ltd.
having its registered office at
Plot 68, 69 & 70, IDA Bollaram
Medak – 502 325
Andhra Pradesh.

... 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
Appeal No.166 of 2016**

Mr. Narayana Murthy Pentayala
Flat No.104, B-Block,
Bhavya's Anandam Apartments,
Nizampet Road, KPHB,
Hyderabad – 500 072.

... 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
Appeal No.167 of 2016**

Mrs. Nirmala Rao
Plot 364, Road No.25a,
Jubilee Hills, Hyderabad,
Telangana State – 500 034.

... 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
Appeal No.168 of 2016**

Mr. K. Srinivas
Plot 364, Road No.25a,
Jubilee Hills, Hyderabad,
Telangana State – 500 034.

... 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
Appeal No.169 of 2016**

Shri Soma Sekhar Marthi
H.No.1-2-699, Flat No.205,
Parkview Apartments,
Adikmet, Vidyanagar,
Hyderabad – 500 044.

... 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

Mr. L.S.Shetty a/w Mr. U.R. Naik and Ms. M.M. Nair, Advocates i/b L.S. Shetty & Associates for Appellants in all the appeals.

Mr. Mustafa Doctor, Senior Advocate a/w Mr. Pulkit Sukhramani and Ms. Vidhi Jhawar, Advocates i/b The Law Point for the Respondent in all the appeals.

CORAM : Justice J.P. Devadhar, Presiding Officer
Dr. C.K.G. Nair, Member

Per : Justice J.P. Devadhar (Oral)

1. Appellants herein are aggrieved by the Confirmatory Order dated 9th March, 2016 passed by the Whole Time Member (for short 'WTM') of Securities and Exchange Board of India (for short 'SEBI') whereby the Ex-parte Ad-interim Orders passed against the appellants on 20th November, 2014 have been continued until further orders. As a result, the restraint order passed against the appellants from buying, selling or dealing in securities market or accessing the securities market have been continued until further orders.

2. Mr. Doctor, learned Senior Advocate appearing on behalf of SEBI on instruction states that SEBI is ready and willing to complete the investigation and if deemed fit issue show-cause notice by 31st December, 2017.

3. Mr. Shetty, learned Counsel appearing on behalf of the appellants submits that the appellants who are themselves victims of the fraud

committed by Nirmal Kotecha, have no objection if SEBI wants to continue investigation till December 2017, however, SEBI must consider all the documents including the handwriting expert's opinion already furnished by the appellants and also take coordinated action with other authorities like the authorities under the Prevention of Money Laundering Act and Enforcement Directorate so that the amounts of the company illegally diverted by Nirmal Kotecha are recovered as expeditiously as possible.

4. Accordingly, without going into the merits, we dispose of these appeals by directing SEBI to complete the investigation by December, 2017 and if deemed fit issue show-cause notice by 31st December, 2017.

5. If the show-cause notice is issued on or before 31st December, 2017, then the appellants are at liberty to file reply to the show-cause notice within a period of two weeks from the date of receipt of the show-cause notice and thereupon SEBI shall dispose of the show-cause notice within a period of three months from the date of receiving reply to the show-cause notice from the appellants. Before issuing the show-cause notice, SEBI shall consider all the documents already furnished by the appellants and also take into consideration the investigations carried out by other authorities like the authorities under the Prevention of Money Laundering Act and Enforcement Directorate, as they deem fit.

6. All six Appeals are disposed of in the aforesaid terms with no order as to costs.

7. It is made clear that if SEBI fails to issue show-cause notice by 31st December, 2017, then the ex-parte ad-interim order/confirmatory order shall come to an end from 1st January, 2018, without any reference to this Tribunal.

Sd/-
Justice J.P. Devadhar
Presiding Officer

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

17/08/2017
Prepared & compared by-dg