

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**  
**CONSENT ORDER**

**In respect of**

**GG Automotive Gears Ltd. (PAN: NA ) CO/IVD-10/AO/PG/14/2011**

**RS Gajra (PAN: AAKPG5304P) CO/IVD-10/AO/PG/15/2011**

**Kennedy R Gajra (PAN: AAKPG7836N) CO/IVD-10/ AO/PG/16/2011**

**In the matter of GG Automotive Gears Ltd.**

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated January 09, 2006, initiated adjudication proceedings against Mr. RS Gajra (hereinafter referred to as '**Noticee 1**'), Mr. Kennedy R Gajra (hereinafter referred to as '**Noticee 2**') and M/s GG Automotive Gears Ltd. (hereinafter referred to as '**Noticee 3**') in the matter of trading in the shares of GG Automotive Gears Ltd. (hereinafter referred to as '**GGAGL/scrip**') for allegedly violating the provisions of regulation 3(b), 4(1), 4(2), 4(k) and 4(r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**") and Section 11C(2) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the "**Act**").
2. SEBI conducted investigation into the trading in the scrip for the period from August 01, 2002 to October 16, 2002 (hereinafter referred to as '**period of investigation**') due to sharp rise in price of the scrip on the Bombay Stock Exchange Ltd. (hereinafter referred to as '**BSE**'). Noticee 1 & Noticee 2 were the two key management persons of the Noticee 3, being the Chairman cum Managing Director and Managing

Director of Noticee 3 respectively. The investigation revealed that Noticee 3 allegedly attempted to manipulate the trading price and volume of the scrip in the market. Besides, there were major deviations in the unaudited quarterly results and annual financial results of the Noticee 3 amounting to misrepresentation of facts. Noticee 3 also did not co-operate with the investigation proceedings of SEBI by not providing information relating to the investigation process. Therefore, adjudication proceedings were initiated against all the three noticees to inquire into and adjudge under section 15HA and 15 A(a) of the Act the alleged violations of the provisions of PFUTP Regulations and SEBI Act as stated above.

3. The undersigned was appointed as Adjudicating Officer in the above matter vide order dated January 09, 2006. Consequent to the transfer of the undersigned, Mr. V.S. Sundaresan was appointed as the Adjudicating Officer vide order dated November 19, 2007. Subsequently, upon the transfer of Mr. V.S. Sundaresan, the undersigned has been appointed as Adjudicating Officer, again the present matter, vide order dated November 12, 2009.
4. While the adjudication proceedings were in progress, an application for Consent Order dated December 10, 2008 in respect of the aforesaid proceedings before SEBI was submitted by the Noticees along with the Undertaking / Waivers in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20<sup>th</sup> April, 2007. The Noticees, vide letter dated October 07, 2009, proposed ₹.15,00,000 (Rupees fifteen lakh only) as revised consent terms.

5. The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on January 19, 2011. The HPAC, after considering the facts and circumstances of the matters under consent, consent terms offered by the Noticees & the materials brought before it by SEBI, recommended that the case may be settled on payment of ₹.15,00,000/- (Rupees fifteen lakhs only) towards settlement charges and a voluntary debarment from trading in the capital market by the applicants for a period of two years subject to the declaration given in the affidavit dated December 04, 2009 stating that no shares were sold by the noticees between 01.08.2002 to 16.10.2002 . Thereafter, SEBI, vide its letter dated February 14, 2011, communicated to the Noticees, its acceptance of the revised consent terms and advised it to pay the amount accordingly. The Noticees have remitted a sum of ₹.15,00,000/- (Rupees fifteen lakhs only), vide Demand Draft No.450291 dated March 16, 2011 drawn on Union Bank of India towards the terms of consent in the matter.

6. In view of above, it is hereby ordered that,
- i) This consent order disposes of the said proceedings pending against the Noticees under Securities and Exchange Board of India Act, 1992 and
  - ii) Passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that
    - a. any representation made by the Noticees in the consent proceedings is subsequently discovered to be untrue.
    - b. the Noticees have breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

7. This consent order is passed on March 31, 2011 and shall come into force with immediate effect.
8. In terms of rule 6 of the Adjudication Rules, copies of this order are being sent to the Noticee and to Securities and Exchange Board of India.

**Date : March 31, 2011**

**Place: Mumbai**

**Piyoosh Gupta**

**Adjudicating Officer**