

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY  
ACTION FINANCIAL SERVICES (INDIA) LIMITED**

**IN THE MATTER OF  
G. G. AUTOMOTIVE GEARS LTD.**

**(CONSENT APPLICATION NO. 1282/2009)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregularities in the trading of G. G. Automotive Gears Ltd. (hereinafter referred to as the 'company') during the period August 1, 2002 to October 16, 2002. The investigation, *prima facie*, revealed that Action Financial Services (India) Limited, located at 31, Rajgir Chambers, 4<sup>th</sup> Floor, 12/14, Shahid Bhagat Singh Road, Mumbai-400 001, (hereinafter referred to as the 'applicant') a member of the Bombay Stock Exchange Ltd., the National Stock Exchange Ltd., the Bangalore Stock Exchange Ltd. and the National Securities Depository Ltd. with SEBI Registration Nos. INF230749237, INB010749233, INF230749237, INB08079238 and DP ID IN300271) during the above period, had indulged in manipulative transactions in the shares of the company. Therefore, it was alleged that the applicant violated the provisions of the SEBI (Stock brokers and Sub-brokers) Regulations, 1992.
2. Pursuant to the investigations, SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, against the applicant. Thereafter, SEBI issued a post enquiry show cause notice dated March 16, 2009 to the applicant.
3. While the above proceedings were in progress, the applicant, vide letter dated April 02, 2009, proposed settlement of the said proceedings through a consent order in terms of SEBI Circular No.EFD/ED/Cir.-01/2007 dated April 20, 2007. It proposed revised consent terms vide letter dated August 17, 2009. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement. Accordingly, the applicant shall pay Rs.15,00,000 (rupees fifteen lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated October 12, 2009.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.15,00,000 (rupees fifteen lakh only) towards settlement charges vide demand draft No.524017 dated October 27, 2009 drawn on ICICI Bank Limited payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the above enquiry proceedings against the applicant (PAN – AAACA4423G) in the matter of G. G. Automotive Gears Ltd.
6. A copy of this Order shall be served on the National Stock Exchange Ltd., the Bombay Stock Exchange Ltd., the Bangalore Stock Exchange Ltd. and the National Securities Depository Ltd. of which the applicant is a broker/ depository participant.
7. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against the applicant, if:
  - a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
  - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.
8. This consent order is passed on this day, the 10<sup>th</sup> of November, 2009 and shall come into force with immediate effect.

**Sd/-**  
**M. S. Sahoo**  
**Whole Time Member**

**Sd/-**  
**K. M. Abraham**  
**Whole Time Member**