

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Consent Order. CFD-DCR/KGD/AO/SS/DRK/EAD-3/02/2009**

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Under section 15 I of Securities and Exchange Board of India Act, 1992 read with Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995

In the matter of

**Ganapathykumaran Investments Private Limited, Kumaranganapathy Investments Private Limited, Mrs. Deepika Karthikeyan, Mrs. B Sathyabama, Mr. G Bakthavathsalam and Ms. T Nikethana.**

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1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”), vide order dated 24.04.2008 initiated adjudication proceedings against the following acquirers / promoters (hereinafter referred to as the “Noticees”), whose details are given below:

- i. Kumaranganapathy Investments Private Limited,  
126, Arts College Road, Coimbatore – 641018
- ii. Ganapathykumaran Investments Private Limited,  
126, Arts College Road, Coimbatore – 641018
- iii. Mrs. Deepika Karthikeyan,  
90, Chinna Ayyalu Lay Out, Sowripalayam, Coimbatore – 641018
- iv. Mrs. B Sathyabama,  
Shanmugha, 188 Race Course, Coimbatore – 641018

v. Mr. G Bakthavathsalam

K G House, Arts College Road, Coimbatore – 641018

vi. Ms. T Nikethana

Shanmugha, 188 Race Course, Coimbatore – 641018

for the alleged violation of Regulation 11(1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in the matter of acquisition of 413300 shares / voting rights on 08.07.1997 (pre-acquisition shareholding 40.68%; post acquisition shareholding 42.74% on 08.07.1997) of K G Denim Limited. Show Cause Notices dated September 8 and 9, 2008 were issued to all the Noticees by the Adjudicating Officer, Shri Biju S.

2. I was appointed as the Adjudicating Officer subsequent to the transfer of Shri Biju S. vide order dated December 10, 2008, under section 15 I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), read with Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.
3. Pending adjudication proceedings, the Noticees made an application dated September 29, 2008 (Consent application Regn. No. 991 of 2008) and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated April 20, 2007. Pursuant to the said application, the Noticees vide letter dated November 21, 2008, accepted the additional non-compliances which had occurred i.e. their failure to intimate the stock exchange and the company under Regulation 7(1A) during the years 2003-2004, 2004-2005 and 2005-2006 and failure to file report under Regulation 3(4) in 2004 triggering Regulation 11(1) for the same year. In view of the additional non-compliances, the Noticees were willing to include all the additional non-compliances in their consent application. The Noticees proposed revised

consent terms, submitting that they were willing to pay a consolidated amount of Rs.2,25,000/- (Rupees Two Lakh and Twenty Five Thousand only) towards settlement charges plus Rs.25,000/- (Rupees Twenty Five Thousand only) towards administrative charges. The revised consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) and the HPAC considered the facts and circumstances of the case, proposed revised settlement terms offered by the Noticees and the other material brought before the HPAC. HPAC after deliberation recommended the case for settlement on the revised consent terms proposed by the Noticees.

4. In terms of the revised proposal of the Noticees for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticees to the findings of fact or conclusions of law, the Noticees have remitted a sum of Rs.2,50,000/- (Rupees Two Lakh and Fifty Thousand only) favoring SEBI vide Demand Draft No. 226971 dated February 16, 2009 drawn on Indian Bank, payable at Mumbai, towards the terms of consent in the matter.
5. In view of the above, it is hereby ordered that:
  - i. this consent order disposes of the said adjudication proceedings pending against the Noticees under SEBI 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 Noticees, if SEBI finds that:
    - a. any representations made by the Noticees in the consent proceedings are subsequently discovered to be untrue.
    - b. the Noticees have breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

6. This consent order is passed on the **26th day of February, 2009** and shall come into force with immediate effect.
7. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are sent to the Noticees and also to the Securities and Exchange Board of India.

**Place: Mumbai**

**D. RAVI KUMAR  
CHIEF GENERAL MANAGER &  
ADJUDICATING OFFICER**