

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

**ON THE APPLICATIONS SUBMITTED BY
RAJIV B. GANDHI, SANDHYA R. GANDHI AND AMISHI B. GANDHI**

**IN THE MATTER OF
WOCKHARDT LIMITED**

(CONSENT APPLICATION NOS. 1017, 1018 AND 1019 OF 2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigation into the alleged irregular trading in the shares of Wockhardt Limited (hereinafter referred to as the 'Company') during the period September 01, 1998 – December 31, 1999. The investigation, *prima facie*, revealed that Rajiv B. Gandhi, Company Secretary and Chief Financial Officer of the company, together with his wife, Sandhya R. Gandhi and his sister Amishi B. Gandhi residing at 586A, Mount Pleasant, 10th Floor, Lady Jehangir Road, Five Gardens, Matunga Mumbai (hereinafter referred to as the 'applicants') had dealt in the shares of the company on the basis of unpublished price sensitive information in violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.
2. Pursuant to the investigation, SEBI initiated proceedings under Section 11B of the SEBI Act, 1992 against the applicants and issued a common show cause notice dated May 06, 2005 alleging that the applicants had violated Regulation 3 and 7(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992. It was alleged that the applicants, being insiders, had dealt in the shares of the company on the basis of the information contained in the unaudited financial results of the company for the quarters ended

December 31, 1998, March 31, 1999 and September 30, 1999 before they were made public. The applicants replied to the show cause notice vide letter dated July 11, 2005. An opportunity of personal hearing was granted to the applicants on September 25, 2008.

3. While the above proceedings were in progress, the applicants vide letters dated October 16, 2008, proposed settlement of the said proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. They proposed revised consent terms vide letters dated December 15, 2008 and January 05, 2009. The High Powered Advisory Committee, constituted by SEBI, considered the consent terms proposed by the applicants and recommended the case for settlement. Accordingly, the applicants shall pay Rs.5,00,000 (Rupees five lakh only) towards settlement charges and undergo voluntary debarment from the securities market for a period of eighteen months. Rajiv B. Gandhi shall not act as Compliance Officer of any listed company for a period of 18 months. SEBI accepted the said recommendations and communicated the same to the applicants vide letter dated March 09, 2009.

4. Accordingly, the applicants have, while admitting the charges, remitted the following amounts towards settlement charges:

Name of the Applicant	DD No. and Date	Name of the Bank	Amount (Rs.)
Rajiv B. Gandhi	025827 16/03/2009	HDFC Bank Ltd.	3,00,000
Sandhya R. Gandhi	025826 16/03/2009	HDFC Bank Ltd.	1,00,000
Amishi B. Gandhi	025828 16/03/2009	HDFC Bank Ltd.	1,00,000
TOTAL			5,00,000

5. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings pending under section 11B against the applicants in the matter of Wockhardt Limited. It is also ordered that the applicants shall not buy, sell or otherwise deal in securities, in any manner whatsoever, directly or indirectly, for a period of eighteen months. Further, Rajiv B. Gandhi, who is the Company Secretary and Chief Financial Officer, shall not act as a Compliance Officer of any listed company for a period of 18 months.
6. A copy of this order shall be served on all recognized stock exchanges and depositories to ensure that the applicants (PAN ACXPG7591E / AANPG2371B / AAGPG0185L) shall not buy, sell or otherwise deal in securities in any manner, whatsoever, directly or indirectly for a period of 18 months from April 21, 2009.
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 applicants, if:
 - a. any representation made by the applicants in these consent proceeding is subsequently discovered to be untrue; or
 - b. the applicants breach any of the consent terms or undertakings filed in these consent proceeding.
8. This consent order is passed on this day, the 20th of April, 2009 and shall come into force with effect from 21st of April, 2009.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER