

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

DIRECTIONS UNDER SECTIONS 11B AND 11(4)(b) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AGAINST MOTOROL ENTERPRISES LIMITED AND ITS DIRECTORS

1. Motorola Enterprises Limited (hereinafter referred to as the Company) is a company incorporated under the Companies Act, 1956 and having its registered office at R & D Centre, Nr. Bombay Shopping Centre, R. C. Dutt Road, Baroda, Gujarat. The directors of the Company are Mr. Gandhi K. Shashikant, Mr. Thakar S. Mahesh, Mr. Gandhi S. Rinki and Mr. Gandhi K. Chandrakant. The Securities and Exchange Board of India (hereinafter referred to as SEBI) received several complaints against the Company from the investors. As on September 24, 2008, a total of one hundred and fourteen investor grievances were pending unresolved with the Company. The investor complaints received against the Company were forwarded to the company for redressal. Periodical reminders were also sent to the Company for resolving such pending complaints. Though, the complaints and reminders sent to the registered office of the Company were delivered, it had failed to redress such complaints.

2. SEBI, sent a letter dated September 25, 2008 to the registered office and to the address available in SEBI's record viz. Motorola House, R C Dutt Road, Baroda, Gujarat-390005 and advised the Company to resolve all the grievances within thirty days from the date of receipt of the said letter and to submit a status report. In the said letter, SEBI made a reference to Sections 15C and 24 of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the SEBI Act). The said letter which was sent to the Company by registered post, was acknowledged by the Company. But it failed

to file the status report with SEBI, as advised. Therefore, a reminder was sent to the Company (addressed to the company secretary) by SEBI on November 24, 2008 advising it to resolve the complaints and submit the status report within seven days. It was also mentioned in the said letter that in case of failure, SEBI would initiate such actions as deemed appropriate. The said letter was also acknowledged by the addressee. Since, the Action Taken Report filed on behalf of the Company was deficient in certain aspects, the same was brought to the attention of the Company by SEBI, vide letter dated February 13, 2009. The Company was advised to provide the required information and to submit the necessary enclosures with the Action Taken Report for the pending grievances, within seven days of receipt of the said letter and failing which SEBI may initiate such action as deemed appropriate including initiation of adjudication proceedings. The said letter was also acknowledged by the Company on February 20, 2009. However, no reply was received from the Company so far. Thereafter, a public notice was also given on March 23, 2009 in the website of SEBI (www.sebi.gov.in) advising the Company to resolve the pending investor grievances and to submit the Action Taken Report. Despite such letters and public notice, SEBI had not received any response from the Company or its Directors.

3. In view of the above, a show cause notice dated November 6, 2009 by SEBI under Section 11B and 11(4)(b) of the SEBI Act requiring it to show cause as to why it should not be restrained from accessing the securities market and prohibit it from dealing in securities till such time the pending investor grievances against the Company are resolved, was sent to the Company at its registered office address and also at Motorol House, R C Dutt Road, Baroda, Gujarat – 390 005. Similar notices dated November 10, 2009 were also sent to its directors, Mr. Gandhi K. Shashikant, Mr. Thakar S. Mahesh, Mr. Gandhi S. Rinki and Mr. Gandhi K. Chandrakant. The aforesaid notices were delivered to the Company and its directors, Mr. Thakar S. Mahesh and Mr. Gandhi S. Rinki. However, the notices sent to Mr. Gandhi K. Shashikant and Mr. Gandhi K.

Chandrakant at their last known address, returned undelivered. Since it was returned undelivered, the same was pasted by National Stock Exchange of India Limited at the last known address. Thereafter, an opportunity of personal hearing was also granted by SEBI to the Company and its aforesaid directors, on August 5, 2010. Although the show cause notices issued to the Company and the directors were delivered/pasted at the last known address and since no reply was received from them, a paper publication was made by SEBI on June 13, 2010, in respect of the said show cause notices and the hearing, in various newspapers having nationwide and statewide circulation including 'Sandesh' (Rajkot Edition) and 'Gujarat Samachar' (Vadodara Edition). Despite taking all possible measures, neither the Company nor the aforesaid directors attended the said hearing on August 5, 2010. As it was found later that the address of the Company as per the website of the Ministry of Corporate Affairs was at "Motorol House, R C Dutt Road, Vadodara, Gujarat-390005", SEBI issued a letter dated November 8, 2010 to the Company in the said address, enclosing therewith a copy of the show cause notice dated November 6, 2009 and the notice for personal hearing. The said letter required the Company to respond to the show cause notice latest by November 28, 2010. The Company was also informed that further action would be taken as mentioned in the said show cause notice. Though, the Company had received and acknowledged the show cause notice, it failed to respond. Since Company failed redress the investor grievances and submit the Action taken Report to SEBI despite sufficient opportunities, I proceed to consider the issues in the matter on the basis of the material placed before me on record.

4. I have considered the facts of the matter and the material available on record. I note that sufficient opportunities have been provided to the Company and its directors to redress the pending investor grievances by SEBI, as stated above in this Order. However, the Company not only failed to resolve the pending investor grievances but also failed to give any response on the action taken by it in resolving the complaints. The Action Taken Report was also not

submitted by the Company. There are hundred and fourteen complaints pending against the Company as stated in the letter dated September 25, 2008. The protection of the investors in the securities market is one of the paramount duties of SEBI and the present case involves a listed company that not only failed to redress the investors' grievances but also failed to respond to the letters/show cause notice issued by SEBI. None of the existing directors of the Company also responded to the letters/show cause notice issued by SEBI. Therefore, it would be against the interests of the investors to permit such company and its directors to access or deal in the securities market. In view of the above, I find it necessary to issue appropriate directions against the Company and its directors who are in charge and responsible for the affairs of the company, for the failure of the Company to redress the grievances of the investors. I also note that in the Adjudication proceedings initiated by SEBI, the Adjudicating Officer, vide Order dated May 9, 2005 had imposed a penalty of ₹2,00,000/- on the Company for not redressing the pending investor grievances. Further, SEBI had also initiated prosecution proceedings *inter alia* against the Company for non-compliance of Section 113 of the Companies Act, 1956.

5. In view of the foregoing, I, in exercise of powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Sections 11(4)(b) and 11B thereof, hereby restrain the following Company and its directors from accessing the securities market and prohibit them from buying, selling or otherwise dealing in securities, directly or indirectly, till all the pending investor grievances against the aforesaid company are resolved and the same is reported to and confirmed by the Securities and Exchange Board of India.

Sr. No.	Name	Address
1	Motorol Enterprises Limited	Motorol House, R C Dutt Road, Vadodara, Gujarat-390007
2	Mr. Gandhi K. Shashikant, Director	103, Bombay Shopping Centre, R C Dutt Road, Vadodara, Gujarat-390007
3	Mr. Thakar S. Mahesh, Director	19, Kalpana Society, Race Course,

		Vadodara, Gujarat-390007
4	Mr. Gandhi S. Rinki, Director	103, Bombay Shopping Centre, R C Dutt Road, Vadodara, Gujarat-390007
5	Mr. Gandhi K. Chandrakant, Director	103, Bombay Shopping Centre, R C Dutt Road, Vadodara, Gujarat-390007

6. This Order shall come into force with immediate effect.

DR. K. M. ABRAHAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

PLACE: MUMBAI
DATE: DECEMBER 15, 2010