

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

Consent Order. IVD/GIL/AO/DRK/MD/EAD-3/ CO/52-09/13-2010

CONSENT ORDER

(Consent Application No.1583/2009)

ON THE APPLICATION SUBMITTED BY

SHRI MAHESH PUJARA

(PAN No. AFPPP1392A)

IN THE MATTER OF

GRAVITY INDUSTRIES LIMITED

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated August 13, 2007 had initiated adjudication proceedings against Shri Mahesh Pujara (hereinafter referred to as the '**Noticee**'), (having his address at Modi House, 4th Floor, 10, Bora Masjid Street, Behind Handloom House, Fort, Mumbai – 400 001) to inquire into and adjudge under Section 15A (b) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), the violation of the provisions of Regulations 7 (1) & (2) of the SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 1997 & Regulations 13 (1),(3) and (5) of SEBI (Prohibition of Insider Trading) Regulations, 1992 for alleged failure to make necessary disclosures regarding the transfer of 4,00,000 (6.67% of the total share capital of the company) shares of Gravity India Limited (hereinafter referred to as the '**GIL**') as required under the aforesaid Regulations. Show Cause Notice A&E/BS/MDE/109246/2007 dated November 26, 2007 was issued to the Noticee.
2. I was subsequently appointed as the Adjudicating Officer vide order dated December 10, 2008 under section 15 I of 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 Noticee made an application dated October 6, 2009 (Consent application Regn. No. 1583 of 2009) and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Subsequently, the Noticee vide his letter dated March 26, 2010 proposed revised consent terms of Rs. 3,00,000 (Rupees Three Lakhs only) towards settlement charges. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) on May 31, 2010 and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the Noticee and other material brought before the HPAC. HPAC after deliberations recommended the case for settlement on the consent terms proposed by the Noticee.
4. In terms of the proposal of the Noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the findings of fact or conclusions of law, the Noticee has remitted a sum of Rs. 3,00,000 (Rupees Three Lakhs only) favoring Securities and Exchange Board of India vide Manager's Cheque No. 126486 dated 03/07/2010 drawn on HDFC Bank, towards the settlement charges.
5. In view of the above, it is hereby ordered that:
 - i. this consent order disposes of the said adjudication proceedings initiated against the Noticee 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 Noticee, if SEBI finds that:

- a. any representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
6. This consent order shall come into force with effect from 14th day of July, 2010.
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 being sent to Shri Mahesh Pujara and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai
Date: July 14, 2010

D. RAVI KUMAR
CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER