

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Consent Order. IVD/GIL/AO/DRK/MD/EAD-3/CO- 41/09 – 2/2010**

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**CONSENT ORDER**

(Consent Application No. 1368/2009)

ON THE APPLICATION SUBMITTED BY

**ADOLF PINTO**

SEBI Registration No. - INB 010001810

IN THE MATTER OF

**GRAVITY INDIA LIMITED**

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated August 13, 2007 had initiated adjudication proceedings against Adolf Pinto (hereinafter referred to as the '**Noticee**'), (having address at 23 Atmaram Building, St. Francis Xavier Lane, Thakurdwar, Mumbai – 400 002) to inquire into and adjudge under Section 15HA and 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), the violation of the provisions of Regulations 4(1), 4 (2)(a), (b), (e), (g) and (n) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, (hereinafter referred to as the '**PFUTP Regulations**') and Clauses A (1), (2), (3), (4) and (5) of the Code of Conduct for stock brokers as specified in schedule II under Regulation 7 of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 (hereinafter referred to as '**Stock Brokers Regulations**') for alleged circular / reversal trades in the scrip of Gravity India Limited (hereinafter referred to as the '**GIL**') and thus created artificial volume to manipulate the price of the said scrip. Show Cause Notice A&E/BS/ MDE/122684/2008 dated April 9, 2008 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 June 11, 2009 (Consent application Regn. No. 1368 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 July 16, 2009 proposed revised consent terms of Rs. 2,25,000 (Rupees Two Lakhs Twenty Five Thousand only) towards settlement charges. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) on December 1, 2009 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. 2,25,000 (Rupees Two Lakhs Twenty Five Thousand only) favoring Securities and Exchange Board of India vide Manager's Cheque No. 260140 dated 02/01/2010 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 13<sup>th</sup> day of January, 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 Adolf Pinto and also to the Securities and Exchange Board of India, Mumbai.

**Place: Mumbai**  
**Date: January 13, 2010**

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