

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

**ON THE APPLICATION SUBMITTED BY
SHRI VIRAG GANDHI
ALIAS
SHRI VIRAJ GANDHI
ALIAS
SHRI VIRAG KUMAR KANTILAL GANDHI
(PAN: ACIPG0873D)**

**IN THE MATTER OF
SAWACA COMMUNICATIONS LTD**

(CONSENT APPLICATION NO. 1897 OF 2010)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular trading in the shares of Sawaca Communications Limited (hereinafter referred to as the 'Company') for the period October 04, 1999 to December 30, 1999. The investigations, *prima facie*, revealed that when the scrip of the company was more or less dormant, Shri. Virag Gandhi alias Shri Viraj Gandhi alias Shri Virag Kumar Kantilal Gandhi (hereinafter referred to as the 'applicant') had bought and sold some shares of the company. The applicant had also failed to appear before the Investigating Officer on the summonses sent to him, thereby, failed to co-operate with the investigating authority. Therefore, the applicant was suspected of aiding and abetting the directors of the company by placing huge buy orders and thereby artificially increasing the volumes in the scrip.

2. Pursuant to the investigations, SEBI initiated proceedings under Section 11B of the SEBI Act, 1992 read with Regulation 11 and Regulation 12 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 against the applicant. It issued a show cause notice dated October 26, 2003 alleging that the applicant had violated provisions of Regulation 4(a) and (b) of the said regulations. The applicant did not submit any reply.
3. While the above proceedings were in progress, the applicant vide letter dated February 26, 2010 proposed settlement of the pending proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The applicant vide letter dated January 06, 2011 proposed revised consent terms for the proceedings mentioned above. The High Powered Advisory Committee constituted by SEBI, considered the consent terms proposed by the applicant and recommended that the case may be settled on payment of ₹1,00,000 (Rupees one lakh only) towards settlement charges and voluntary debarment by the applicant on his individual account (proprietary trade) for a period of six months, as proposed by the applicant. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated February 03, 2011.
4. Accordingly, the applicant without admitting or denying the charges has remitted towards settlement charges a sum of ₹1,00,000 (Rupees one lakh only) vide demand draft No. 000165 dated February 15, 2011 amounting to ₹1,00,000 (Rupees one lakh only) drawn on HDFC Bank Ltd, Fort branch, Mumbai and has also agreed not to buy, sell or otherwise deal in securities or access the securities market, directly or indirectly, in any manner whatsoever, in his proprietary account for a period of six months from the date of this order.

5. In view of the aforesaid consent terms, it is hereby ordered that the proceedings initiated against the applicant vide show cause notice no. IVD/ID3/PKB/JS/SCL/20372/10 dated October 26, 2003 are disposed of and the applicant shall not buy, sell or otherwise deal in securities or access the securities market, directly or indirectly, in any manner whatsoever, in his individual account (proprietary trade) for a period of six months from the date of coming into force of this consent order.
6. A copy of this order shall also be forwarded to all the recognized stock exchanges and the depositories to ensure that the applicant does not deal in securities as per the above mentioned consent terms.
7. This order is without prejudice to the right of SEBI to initiate enforcement actions, including reopening of the proceedings pending against the applicant, if:
 - a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
 - b. the applicant breaches any of the consent terms or undertaking filed in this consent proceeding.
8. This consent order is passed on this day, the 14th of March, 2011 and shall come into force with immediate effect.

K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER