

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

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

SHRI SATISH R. SHAH

IN THE MATTER OF

SAWACA COMMUNICATION LTD.

(CONSENT APPLICATION NO. 395/2008)

1. SEBI had conducted investigation into the alleged irregularities in the trading of the shares of Sawaca Communication Ltd. (hereinafter referred as the 'company') during October 04, 1999 to December 30, 1999. The investigations *prima facie* revealed that Shri Satish R. Shah (hereinafter referred to as the 'applicant'), 19/B, Keshavbaug Colony, Ramnagar, Sabarmati, Ahmedabad – 380 005, being part of the management of the company, made irregular allotment of shares in violation of the provisions of Regulation 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995.
2. Pursuant to the investigation, SEBI initiated proceedings under Sections 11B and 11(4) of the SEBI Act, 1992 read with the provisions of Regulation 11 and 12 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to 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), (b) & (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995. The applicant replied to the show cause notice vide his letter dated November 10, 2003 and appeared for a personal hearing on September 6, 2007.
3. While the above proceedings were in progress, the applicant vide letter dated December 17, 2007 proposed settlement of the proceedings above through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. He proposed revised consent terms vide letter dated March 30, 2009. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement. Accordingly, the applicant shall pay Rs.1,00,000 (Rupees one lakh only) towards settlement charges and suffer voluntary debarment from buying, selling or dealing in the securities market, whether directly or indirectly, for a period of two years. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated May 11, 2009.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.1,00,000 (Rupees one lakh only) towards settlement charges

vide demand draft No. 157795 dated May 26, 2009 drawn on Indian Overseas Bank payable at Mumbai. He has also undertaken, vide his letter dated March 30, 2009 to undergo voluntary debarment for two years from the date of this order.

5. In view of the above, it is hereby ordered that this consent order disposes of the proceedings under Section 11B of SEBI Act, 1992 pending against the applicant in the matter of Sawaca Communication Ltd. It is also ordered that the applicant shall not buy, sell or deal in the securities market, directly or indirectly, for a period of two years.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against 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 undertakings filed in this consent proceeding.
7. This consent order is passed on this day, the 15th of June 2009 and shall come into force from June 18, 2009.

Sd/-
M. S. SAHOO
WHOLE TIME MEMBER

Sd/-
K. M. ABRAHAM
WHOLE TIME MEMBER