

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

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
SHRI VISHAL S. SHAH
(PAN-AJWPS2689A)**

**IN THE MATTER OF
M/S. SAWACA COMMUNICATIONS LTD.**

(CONSENT APPLICATION NO. 397/2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged price manipulation in the shares of M/s. Sawaca Communications Ltd. during October 04, 1999 to December 30 1999. The investigation, *prima facie*, revealed that Shri Vishal S. Shah (hereinafter referred to as applicant)(PAN-AJWPS2689A), the director of M/s. Sawaca Communications Ltd. along with other directors of the Company, had indulged in creation of artificial volumes and increase in the price of the shares of the Company. Therefore, it was alleged that the applicant violated provisions of regulation 4(a), (b) and (d) 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 11 and 11B of the SEBI Act, 1992. It issued a show cause notice dated October 26, 2003. The applicant replied to show cause notice vide letter dated November 10, 2003. An opportunity of personal hearing was granted on September 06, 2007 which the applicant availed.
3. While the above proceedings were in progress, the applicant, vide letter dated December 17, 2007, proposed settlement of the said proceedings through a consent order in terms of SEBI circular No.EFD/ED/Cir.-01/2007 dated April 20, 2007. He proposed revised consent terms vide letter dated March 28, 2008. High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and after taking into consideration all the facts and circumstances of the case including that the applicant has submitted all necessary documents before SEBI to show that he was never appointed as a director of the company, recommended the case for settlement. Accordingly, the applicant shall pay Rs.10,000/-(Rupees ten thousand only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated December 04, 2008.

4. Accordingly, the applicant, without admitting or denying the charges has remitted a sum of Rs.10,000/- (Rupees ten thousand only) towards settlement charges vide demand draft No.156460 dated December 11, 2008 drawn on Indian Overseas Bank payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings under sections 11 and 11B, pending against the applicant in the matter of M/s. Sawaca Communications Ltd.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or 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 undertakings filed in this consent proceeding.
7. This consent order is passed on this day, the 29th December, 2008 and shall come into force with immediate effect.

Sd/-
M. S. Sahoo
Whole Time Member

Sd/-
K. M. Abraham
Whole Time Member