

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY  
M/s. RAJESH N. JHAVERI**

**IN THE MATTER OF  
SAWACA COMMUNICATIONS LTD.**

**(CONSENT APPLICATION NO.52/2007)**

1. Securities and Exchange Board of India (SEBI) conducted investigation to examine possible irregularities in trading in the shares of Sawaca Communications Ltd., for the period from October 04, 1999 to December 30, 1999. The investigation, *prima facie*, revealed that the applicant, M/s. Rajesh N Jhaveri had engaged in manipulative trades to assist various preferential allottees to off-load their holdings at jacked up price.
2. Pursuant to the investigation, SEBI initiated enquiry proceedings against the applicant. Based on the enquiry report, it issued show cause notice dated September 23, 2005 alleging that the applicant had violated provisions of Regulation 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 and Regulation 7 read with Code of Conduct specified under Schedule II of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. The applicant replied to the show cause notice on November 10, 2005. An opportunity of hearing was granted by SEBI on June 16, 2005.
3. While further proceedings in the matter were in progress, the applicant, vide letter dated July 31, 2007, proposed settlement of the said enquiry proceedings through a consent order. High Powered Advisory Committee appointed by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement. As per the terms of settlement, the applicant shall pay Rs.1,00,000/- (Rupees one lakh only) as settlement charges and suffer a voluntary suspension of certificate of registration for a period of one year. The said terms of

settlement were accepted by SEBI and communicated to the applicant vide letter dated July 30, 2008.

4. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant to the finding of fact or conclusion of law, the applicant has remitted a sum of Rs.1,00,000 (Rupees one lakh only) vide demand draft No. 016585 dated August 11, 2008 drawn on Central Bank of India, Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings pending before SEBI against the applicant in the matter of Sawaca Communications Ltd. It is also ordered that certificate of registration of M/s. Rajesh N Jhaveri bearing no. INB020123415 as member of Ahmedabad Stock Exchange Ltd. is suspended for a period of one year from the date of this order.
6. This order is without prejudice to the right of SEBI to take enforcement action, including commencing / reopening of the pending proceedings against the applicant if:
  - a. any representation made by the applicant in the consent proceedings is subsequently discovered to be untrue.
  - b. the applicant breaches any of the clauses/ conditions of undertakings/ waivers filed during the current consent proceedings with SEBI.
7. This consent order is passed on the 4<sup>th</sup> day of September, 2008 and shall come into force with immediate effect.

**T. C. NAIR**  
**WHOLE TIME MEMBER**

**M. S. SAHOO**  
**WHOLE TIME MEMBER**