

CO/ ISD /1522/310/2009

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

**ON THE APPLICATION SUBMITTED BY
RAJESHKUMAR V. PATEL**

**IN THE MATTER OF
DEALINGS IN INITIAL PUBLIC OFFERINGS**

(CONSENT APPLICATION NO. 1522 OF 2009)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular trading in the Initial Public Offerings (IPOs) of various companies including TCS Ltd during the period 2003-2005. The investigations, *prima facie*, revealed that Rajeshkumar V. Patel (hereinafter referred to as the 'applicant') provided finance to key operators for cornering of shares reserved for the retail individual investors (RIIs) in the IPO of TCS Ltd.
2. Pursuant to the investigations, SEBI initiated proceedings under Section 11B and also Adjudication proceedings under Chapter VI A of the SEBI Act, 1992 against the applicant. It issued a show cause notice dated December 16, 2008 under Section 11B of SEBI Act, 1992. The Adjudicating Officer had also issued a Show Cause Notice dated June 16, 2006 for the alleged violation of Section 12A of the SEBI Act, 1992 read with Regulation 3 and 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Markets) Regulations, 2003. The applicant submitted his reply to the Adjudicating Officer's show cause notice vide letter dated August 12, 2006. No reply was however submitted to the show cause notice for Section 11B proceedings.

3. While the above proceedings were in progress, the applicant vide letter dated August 20, 2009, proposed settlement of both the proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The applicant proposed revised consent terms vide letter dated September 19, 2009. The High Powered Advisory Committee, constituted by SEBI, had recommended the case for settlement on payment of Rs.5,59,506 (Rupees five lakh fifty nine thousand five hundred and six only) towards settlement charges and Rs. 18,65,019 (Rupees eighteen lakh sixty five thousand and nineteen only) towards disgorgement of the ill-gotten gains made by the applicant. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated November 16, 2009.
4. Accordingly, the applicant without admitting or denying the charges has remitted a sum of Rs.5,59,506 (Rupees five lakh fifty nine thousand five hundred and six only) towards settlement charges along with Rs. 18,65,019 (Rupees eighteen lakh sixty five thousand and nineteen only) towards disgorgement money vide demand draft Nos. 011900 and 011899 respectively dated November 23, 2009 drawn on Axis Bank Ltd, payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings pending under section 11B as well as the adjudication proceedings against the applicant in the matter of IPO.
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 undertaking filed in this consent proceeding.
8. This consent order is passed on this day, the 30th of November, 2009 and shall come into force with immediate effect.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER