SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

ORDER UNDER REGULATION 13 (4) OF SEBI (PROCEDURE FOR HOLDING ENQUIRY BY ENQUIRY OFFICER AND IMPOSING PENALTY) REGULATIONS, 2002 AGAINST M/s CHANDRAVADAN J. DALAL, MEMBER, THE STOCK EXCHANGE, MUMBAI

MO/67/IVD/02/04

1. Chandravadan J Dalal is registered with SEBI as a stock broker (hereinafter referred to as 'the member') bearing SEBI registration no. INB 010005111 and is a member of The Stock Exchange, Mumbai. Investigation was conducted against the member with respect to its dealing in scrips of Global Trust Bank (GTB), Aftek Infosys Ltd. (AFL), Shonk Technologies International Ltd. (Shonk) & Lupin Laboratories Ltd. (Lupin) and Ranbaxy Laboratories Ltd.

2. Subsequently, SEBI vide order dated 03.10.2001 appointed an Enquiry Officer to enquire into the alleged violation of the following provisions by the member:

   (a) Provisions of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 and;
   (b) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995

3. The Enquiry Officer issued a show cause notice dated 26.11.2001 to the member enclosing the findings of investigation in respect of dealings in the scrip of GTB. A further show cause notice dated 02.04.2002 to the member in respect of the dealing in the scrips of Shonk and Lupin enclosing the findings of the investigation in this regard was issued by the Enquiry Officer. A show cause notice dated 17.02.2003 in respect of the member dealing in the scrip of Aftek for the periods 04.01.2001 to

01.02.2001 enclosing the findings of the investigation was issued by the enquiry officer. Another show cause notice dated 24.02.2003 was issued by the Enquiry Officer to the member in respect of dealing of the member in the scrip of Ranbaxy.

4. After conducting the enquiry as per the procedure, the Enquiry Officer submitted his report dated 03.07.2003 concluding that the member is guilty of price manipulation in the various scrips such as GTB, Lupin, Shonkh, Aftek and Ranbaxy. The Enquiry Officer found that the member acted for different Ketan Parekh entities in the said scrips where some of the aforesaid scrips were manipulated in few trades. The similar pattern of series of trading in the scrips which were commonly known in the market as scrips where Ketan Parekh was interested in further corroborates that the same was not a coincident. Further, the Enquiry Officer viewed that the said scrips belonged to different industries such as banking, pharmaceutical and software, which had attracted considerable interest at that point of time and had bearing on the index movement. The Enquiry Officer found that the same is not possible without the active participation of the member and that the member also indulged in synchronized trades.

5. The Enquiry Officer further found that such synchronized trades for a series of transactions and in a number of scrips is possible only if such trades are put simultaneously with prior understanding by the brokers in the system so as to match and that entering an order for same quantity for same price with similar entities to match cannot be a coincident but a deliberate act of brokers/members in collusions with Ketan Parekh entities. The Enquiry Officer concluded that the act of the member has led to interfere with the fair and smooth functioning of the market in the above scrips and also in the nature of affecting price discovery mechanism and also tantamount to misuse of the system and that the member assisted in creation of artificial volumes and benchmarking of prices of the scrips. In

view of the aforesaid findings the Enquiry Officer recommended the suspension of registration of the member for a period of two years. Consequent upon above, in terms of regulation 13(2) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 (hereinafter referred to as 'the said regulations') a show cause notice dated 09.07.2003 was issued to the member to show cause as to why the penalty as recommended by the enquiry officer should not be imposed on it. The member was advised to submit its reply, if any, within 15 days of the receipt of the show cause notice failing which it would be presumed that the member has no explanation to offer and SEBI will be free to take such action as deemed fit.

6. The member vide letter dated 19.08.2003 replied to the aforesaid show cause notice. The member made the following submissions:

5.1 The member submitted that he had not violated any of the provisions of SEBI(Stock Brokers and Sub-Brokers) Rules and regulations, 1992 (hereinafter "The Brokers Rules and Regulations") or the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulation, 1995 (hereinafter "FUTP Regulations") or any other provisions of any Act, Rules or Regulations or statutory provisions in respect of their trades in the scrip's of Global Trust Bank Ltd. ("GTB"), Shonkh Technologies Ltd. (Shonkh), Aftek Infosys Ltd. ("Aftek"), Lupin Laboratories Ltd. (Lupin) or Ranbaxy Ltd.(Ranbaxy).

5.2 The member submitted that the present SCN is in respect of the transactions done by him on behalf of his clients in the year 1999-2000 and 2000-2001 and it is unfair to call upon to show cause in respect thereof after such a gross delay particularly when the trades in question are settled in all respects and were executed by him on behalf of his clients as per the exchange mechanism. The member contended that either the trades / transactions are wrong or right, but enquiry over a period of three years cannot go on and on this ground alone the present SCN ought to be discharged / withdrawn. The member submitted that the SCN and the entire Enquiry Report proceed on the basis that all the trades though otherwise complete and in order, are bad and irregular, as he did the same for and on behalf of his clients who happen to be KP entities. The member submitted that just because Classic Credit and Panther happen to be his clients he should not be penalized.

5.3 The member submitted that his total percentage of trade with relation to the overall trades in the scrip of GTB on BSE & NSE during the period of investigation is 2.68% and hence he cannot be held responsible for any abnormal movement of price of the said scrip. Further, the member stated that at any rate, all his trades were for and on behalf of his clients, in accordance with Exchange mechanism and were duly settled in all respects.

5.4 The member denied having facilitated any artificial creation of market and /or manipulation through placement of orders at artificially high price as alleged. In this regard, the member submitted that:

- he acted merely as broker and followed instructions of his clients;
- Each transaction mentioned in the SCN is backed by contract notes, deliveries and payments;
- As broker, he is bound to act on instructions of clients, which he had done in the present case;
- As a broker in screen based trading he had no means of knowing as to who the other side buying/selling party is and as such the question of facilitating creation of artificial volume does not arise and he had not traded on propriety account. The member submitted that all the transactions have been done on

behalf of the clients and he had not derived any benefit from their transactions except his legitimate brokerage;

5.5 The member submitted that while dealing in the scrip of GTB, he punched orders on the BOLT system as per the instructions of his clients. Further, orders so placed on behalf of his clients were modified as to the quantity or price or deleted as per their instructions and he never on any occasion assisted or advised them either in placement of order/s or in their modification/s or deletion/s thereof. The member stated that w.e.f January 2000, few scrip's were placed in rolling settlememnt cycle by SEBI. Shares of GTB were placed in Rolling Settlement Cycle by SEBI w.e.f 21.03.2000. The member further stated that in case of Rolling Settlement Cycle, outstanding position (or the net balance position) at the end of the day had to be settled by way of payment and delivery. No pending transaction of the day is allowed to be carried forward to the next day. The member submitted that the sub-brokers and clients used to be more active in weekly settlement than in rolling settlement which results into wider spread in the price. The member contended that the stock brokers have no choice in this regard but to follow instructions of their clients as to the frequent modification/s or deletion/s of orders placed in such scrip's.

5.6 The member stated that all executed trades of M/s. Panther were informed to them on the same day and necessary contract notes and bills were also sent to them from time to time. Total of 1,75,455 shares of GTB were purchased by him for and on behalf of M/s. Panther for the day's referred in the SCN. All trades executed by him were settled and the shares were transferred to their demat account. Further, all the transactions were market deals resulted from number of deals. The member submitted that from the above information, it is very clear that all orders were executed by him on behalf of his clients M/s. Panther, payment were received from them from time to time and shares were transferred to their respective demat account/s on receipt by him from the stock exchange in the ordinary course of business.

5.7 The member further submitted that M/s. Panther asked him to purchase specific quantity of shares of GTB at the specified rates and he acted as per their instructions purely as broker. Since GTB was in the rolling settlement and there were not much sellers in the scrip and client desired to buy the specified quantities and for that purpose, the orders were revised, modified and/or deleted as per their request qua the quantity and rates. The member stated that modification / deletion of client's order/s on their instruction is in the normal course of the business for a stock broker and there were no suspicious circumstances to warrant our additional attention in the conduct of business as stock broker either in respect of the client or the scrip in question. The member contended that he never assisted, aided or advised his client/s or sub-brokers in selecting scrip's, the manner of placement of order/s, its size, the rate/s which order/s be placed, modification of the order/s or its deletion/s. In these matters, he followed instructions of the clients and acted accordingly. The member stated that frequent placement/s, modifications and deletions of orders many times during the day is at the sole discretion of the clients concerned and a stock broker has very little role to play in it. Further, he stated that stockbroker has to consider credit worthiness of the client where large quantities are being bought and sold by the client. If client is entering into transactions beyond his financial capacity, then only a broker can stop punching orders of the client, otherwise it is for the client to decide why he is buying large quantities. The member contended that merely because of frequent modifications and/or deletions of orders by the clients, he cannot be alleged to have aided or assisted clients or other brokers.

5.8 The member stated that he had been charged for acting as broker of NSE in the scrip of Lupin, for Classic and Panther, which is not correct or true as he is not the member of NSE nor trade on NSE.

5.9 The member stated that while dealing in the scrip of Lupin for his clients Classic, he punched the orders on the BOLT System of the exchange as per their instructions. Further, orders so placed on behalf of classic and panther were modified as to the quantity or price or deleted as per their instructions and he never on any occasion assisted or advised them either in the placement of order/s or in their modification/s or deletion/s thereof. The member stated that all executed trades on behalf of Classic and Panther were informed to them on the same day and necessary contract notes and bills were also sent to them from time to time. Further, he stated that during the period of investigation, shares of Lupin were purchased by him for and on behalf of Panther, Classic and other clients and the trades executed by him on behalf of the clients were settled by way of payment by them and delivery by him to their respective demat account/s making them genuine transactions and not artificial ones.

5.10 The member submitted that the total purchases of shares of Shonkh by him on behalf of his clients Panther and Classic resulted into payment and delivery by him wherein payment was received and shares were transferred to them. The member contended that this is sufficient to establish beyond doubt that we acted in the ordinary course of business as stockbroker and in accordance with the rules and regulations in this regard and further that these were not artificial or bogus trades and had not facilitated price manipulation or distorted price discovery by abetting, aiding or assisting the entities associated with the Ketan Parekh in price of Lupin or any other scrip as alleged.

5.11 Regarding the member dealing in shares of Aftek, he submitted that all deals in the scrip of Aftek were genuine trades supported by contract notes and were on behalf of his client Panther and he had acted on instructions of his clients Panther for purchase of the scrip of Aftek. The member stated that he had neither the mechanism nor resources to monitor the activities of particular scrip on the exchange. Further, he stated that during the period under reference i.e. period between 04.01.2001 and 1.2.2001 the scrip of Aftek had witnessed movements both upward and downward and he cannot be held liable for the entire movements of the scrip on the exchange for any particular period of time.

5.12 With further reference to the trades executed on 17th January, 2001, the member submitted that he entered the orders as per the instructions given by his clients i.e. the clients desired to purchase 5,000 shares and the said quantity of purchase in respect of the said trades was revealed (Order No.2957) as 5000. The variation of price of Rs.10/- in the price band of Rs.520/- (being the low) to Rs.583.7 (being the high) of the day comes to only 0.02%, which is also not correct, as that might have been a general trend. The BOLT Trading System give the benefit of the depth available on the screen in respect of best five quotes for sale and purchase.

Traded Quantity	Executed Rate	Time
5	578.80	15:29:51
2005	579.00	15:29:51
125	580.00	15:29:51
5	581.00	15:29:51
25	582.00	15:29:51

Further, the member stated that when an order for 5,000 shares was placed on the System, the maximum of 2165 shares were available for sale at a price up to Rs.582/-. Since the clients desired to purchase 5,000 shares, the order was placed for revealed quantity of 5,000 shares by two rupees more than the best sale quote. Thus, the price variation was only to the extent of only Rs.1.70 in the price band of around Rs.580/-. The member stated that at the time of execution of trades viz. 15:29:51(resulting into 45 number of trades) only 3460 shares were available which means that large number of sellers were available at that time for sale of the said scrip. The order for purchase was after the orders of sales were available on the BOLT. The member submitted that despite, the desired quantity required ie.5,000 shares; the trade could result in receiving only 3,460 shares.

5.13 In respect of the order no. 2955, the member submitted that the order for 2,500 shares was punched and the revealed quantity was also 2,500 as per instructions of his clients. The member stated that the best five quotes available at that point of time were having a difference of Rs.18/- with the revealed quantity of 260 shares ranging from Rs.551/- to Rs.569 as shown below :

Trades Quantity	**Executed Rate**	**Time**
50	551.00	15:29:15
100	554.00	15:29:15
10	564.95	15:29:15
50	565.00	15:29:15
50	569.00	15:29:15

The member submitted that out of 2,500 revealed quantity, the clients could obtain only 380 shares.

5.14 In respect of the trades executed by us on 19th January, 2001, the member stated that at the given point of time viz.12:35:58, clients desired to purchase initially 5,000 shares vide Order No.2983 and could only get in the first place 1951 shares and later on balance 2510 shares vide Order No.2988 at the then prevailing varying prices. Further, he stated that later on in the day, the clients desired to further purchase 10,000 shares, further orders in respect of 5524 shares were placed by Order No.2994 at Rs.764.50. Despite the same, the clients could only obtain 3964 shares. The member contended that it is logical that when the single order for a large quantity is placed, it has to result in multiple trades as large number of sellers with small quantities offered to sell.

5.15 Similarly, in respect of the trades executed on 15th January, 2001, the member submitted that in so far as Order No.2914 is concerned, clients desired to purchase 400 shares at Rs.440/-, which was the then prevailing market rate. However, at this price only 191 shares could be obtained. The pending order was modified for the remaining 209 shares to Rs.470/- and the trade was accordingly completed.

5.16 The member, in respect of the order No.2916, submitted that 200 shares were purchased upto Rs.460/- as given in Table hereunder :

Trades Quantity	Executed Rate	Time
100	444.95	14:52:10
10	449.00	14:52:10
40	450.00	14:52:10
50	460.00	14:52:10

The member stated that remaining trades were also executed in accordance with the Exchange mechanism at the then prevailing rates and as instructed by the clients. Further he stated that in respect of all the trades, which have been executed, the same were as per the instructions given by the clients. The member contended that this cannot be stated to be aiding and/or abetting with the clients to influence either the price or to create the volume as alleged and if at all there is a variation in the prices, the same was on account of no significant sellers at that price and it would not be proper and / or just to blame the broker for any such price variations.

5.17 In respect to the trade executed on 17.4.1999, the member submitted that the trade was not on behalf of his clients Panther / Classic and/or any Ketan Parekh entities. The said trade was done by him for and on behalf of his client Rajesh P. Shah as under:

Date	Trade # Order #	Time	Client Code & Name	Scrip Name	Quantity	BS	Rate	Total Value
17.4.99	19990417000 4124 19990417050 0068	13:35:23	ZZ/R242 Rajesh P. Shah	Ranbaxy LAB	50	B	517.00	25850.00
17.4.99	19990417000 4125 19990417050 0068	13:35:23	ZZ/R242 Rajesh P. Shah	Ranbaxy LAB	200	B	521.00	104200.00
17.4.99	19990417000 4126 19990417050 0068	13:35:23	ZZ/R242 Rajesh P. Shah	Ranbaxy LAB	100	B	521.00	52100.00
17.4.99	19990417000 4127 19990417050 0068	13:35:23	ZZ/R242 Rajesh P. Shah	Ranbaxy LAB	650	B	522.00	339300.00

The member contended that one particular trade for 1000 shares executed by him for and on behalf of his client Rajesh P. Shah on 17.4.1999 has been picked up when the benefit of details of all the trades executed by him for and on behalf of his said client on that day were available. The member submitted that on 17.4.1999, the said client had sold approximately 9000 shares of Ranbaxy at an average rate of Rs.568.27 per share. Similarly, after the said trade of purchase of 1000 shares of Ranbaxy as given in the finding of investigation, the said client had also purchased and sold hundreds of shares which was ignored by SEBI.

The member stated that Rajesh P. Shah had sold 9000 shares at an average rate of Rs.568.27 before he placed an order to buy 1000 shares at Rs.522/-. There were best five quotes on the BSE BOLT trading system from which the first three were Rs.517/-, Rs.521/- and Rs.522/-. The order was executed in the following manner. 50 shares at Rs.517/-, 100 shares at Rs.521/- and 650 shares at Rs.522/-.

Further, he stated that from the Trade log it is evident that the Order of 1000 shares had materialized in four trades and at three different prices i.e. Rs.517/-, Rs.521/- and Rs.522/-, which were the first three best available quotes form the best 5, quotes. The member contended that the question of influencing the price or creating artificial volume or false market does not arise as our clients had a sale position and was squaring up the same. The member stated that after four minutes his clients placed a further order for purchase of 2000 shares at Rs.524/- vide Order No.500072 at 13:39:05 which resulted into four trades viz. 100 at Rs.523.75, 219 at Rs.524/-, 1000 at Rs.524/- and 500 at Rs.524/-. Total quantity purchased was 1819. The balance order was cancelled later on. The member stated that his client had brought forward position of 8000 shares on 17.4.1999, purchased 4819 shares, sold 9100 shares at the end of settlement and carried forward 1928 shares.

5.18 Regarding the price band in the scrip of Ranbaxy on 17.4.1999, the member stated that it was within the overall price band without in any manner touching the upper and lower circuit or influencing the price. Further, he stated that the total number of shares that were traded on BSE was 1080293 shares against the quantity of 1000 shares shown in the findings of investigation. The average price for that day on BSE was Rs.554.78 and the average purchase price of 1000 shares referred to by you in the SCN was Rs.521.45 as 50 shares were purchased at Rs.517/-, 300 shares at Rs.521/- and 650 shares at Rs.522/-. These purchases were on the basis of depth available on the screen of BOLT. The total quantity bought by his client on 17.4.1999 was 4819 shares at an average rate of Rs.525.42, which is far below the average traded price on BSE on that day which was Rs.554.78. The member stated that on 17.4.1999 the said purchases of 1000 shares did not have any influence or impact whatsoever either on the market or on the price of the said scrip. The purchases were in the best interest of the clients as the net average purchase price for 4819 shares was Rs.525.42 as against the day's average of Rs.554.78.

5.19 In respect of the trades of purchase of 25,000 shares on 27.9.1999, the member submitted that since the clients desired to buy 25,000 shares, he had executed the said order to buy 25,000 shares at one stroke. In purchase of 25,000 shares, there were more than approx. 130 trades at varying prices from Rs.1067/- to Rs.1075/- per share. The member stated that on that day, the total volume of trades was 31,43,843 shares on BSE and the average traded price of the said shares on that day was Rs.1070.43. Further, he stated that on that day the volumes and prices of scrip traded on NSE ought to have been taken into account. The member submitted that BSE volume as set out in the SCN do not give total picture in respect of trades in the scrip of Ranbaxy on that day in the capital market since the said scrip was also traded on NSE on that day. In view of this fact, the member submitted that the findings are not based on complete information and it is totally subjective and does not take the overall picture into account. The member, therefore, submitted that the purchase of 25,000 shares at the rate of Rs.1075/- for and on behalf of our clients did not have any influence on price or created artificial volume in respect of the said scrip as the case may be.

5.20 The member submitted that the two trades of purchases, one on 17th April, 1999 for 1,000 shares and the other on 27the September, 1999 for 25,000 shares, which can not, by any stretch of imagination, be treated as manipulative, fraudulent or deceptive and the same cannot be treated as mal-practice as alleged. The member with specific reference to the allegation that he through the dealings in the scrip of Ranbaxy aided, assisted and abetted KP entities, submitted that no details whatsoever has been furnished in support of the said allegation and stated that one of the two trades ie. On 17.4.1999 was for our client Rajesh P. Shah.

Further, the member stated that Panther/Classic were his clients, which were connected or controlled with Mr. Ketan Parekh. However, his relationship with Classic / Panther was that as broker and client. Neither he has any connection or relationship with the client in any manner whatsoever and contended that for violations that may be committed by Ketan Parekh entities cannot be visited to him as purported to have been inferred.

7. The member was given an opportunity of personal hearing on 22.9.03. Advocate, Shri Shaukath Merchant, Advocate representing the member appeared on behalf of the member and made submissions as under:

6.1 That grave charges made in various show cause notices ("SCNs") issued from time to time beginning with 26th November, 2001 till date have not been substantiated. Only bald allegations have been made. The member alleged that there was non-application of mind on the part of the Enquiry Officer in issuing SCNs.

6.2 The member stated that he had no relation or connection with Ketan Parekh (KP) or KP entities save and except that Classic Credit and Panther Fincap, being the KP entities were clients of the member.

6.3 The member submitted that no default has been committed by the member in any of its trades or transactions on the Exchange. All transactions done by the member are supported by contract notes, bills, payment and receipt of money or deliveries, as the case may be. All the trades were settled in all respects. No complaints have been received either from BSE or from clients or from any of the investors.

6.4 The member stated that all the trades were in accordance with the Stock Echange Mechanism and there were no off market deals. All trades were done and the transactions were screen-based on BOLT. There was no prior understanding with any counter party or counter party broker.

6.5 Regarding trades in GTB the member submitted as follows:

a. It was contended in the SCN that the price of the scrip has moved from Rs.57/- on 11th October, 2000 to Rs.114/- as on 20th November, 2000, only three days trades; dated 27th October, 2000, 2nd and 3rd November, 2000 were found objectionable in the SCN.
b. At the time when the member executed trades for the first time during the period covered by the SCN i.e. on 27th October, 2000, the average price of the shares was Rs.70.72 and Rs.80.37 on 2nd November, 2000 and Rs.91.46 on 3rd November, 2000. It is significant to note that this price was moved from Rs.100/- to Rs.114.70 on 20th November, 2000 when no trade has been done by the member for and on behalf of KP entities during this period as per the SCN.
c. Analysis of the trades of Lupin Laboratories has been shown and the conclusions for the trades of GTB have been drawn.
d. Not being a member of NSE, violations of NSE Regulations have been alleged and contended against the member.

6.6 Regarding trades in Lupin Laboratories the member submitted as follows:

a) It was contended that the price has been moved from Rs.150/- in September, 1999 to Rs.600/- in December, 1999
b) Though not a member of NSE, contentions have been raised for violation of NSE Regulations.
c) No charges have been leveled against the member but all charges have been leveled against clients (Classic Credit).
d) The SCN attributes price movements from Rs.150/- to Rs.600/- against the clients. Once again only three trades done on 14th October, 1999, 15th October, 1999 and 11th October, 1999 have been picked up in the SCN.

The trades of 15th October, 1999 were shown as of Classic Credit but they were executed for some other clients.

e) Errors apparent on the face of record were shown to the Hon'ble Member at the time of hearing that Classic Credit did not purchase any shares of Lupin Laboratories on 15th October, 1999; that no trade logs were furnished prior to or after "trades in question", that the purchases were of UFICS and not of Classic; that the price of Rs.350/- was established from Rs.343/- on 11th November, 1999 was incorrect; that the order was put at Rs.350/- was also incorrect; and that prior sales were executed at Rs.380/- and Rs.389.75 were not referred to in the show cause notice.

f) When the member entered the trades for and on behalf of its clients on 14.10.1999 at 10:03:34 hrs, the price was already Rs.412.80. That for all the trades done in Lupin Laboratories, Classic is to be blamed and not C.J. Dalal.

6.7 Regarding trades in Shonkh Technologies, the member submitted as follows:

a) Only 4 trades were picked up in the SCN as objectionable.

b) All the charges have been leveled against KP or KP entities and not against C.J. Dalal.

c) It has been contended that artificial volume and false market has been created by fictitious, non-genuine trades amounts to market manipulation. SCN ignores that all these trades were on BOLT, in accordance with Stock Exchange Mechanism, resulting into payment and deliveries and there was no violation of SEBI Circular dated 14th September, 1999. In fact this Circular supports the case of the member.

6.8 Regarding trades in Aftek Infosys Ltd, the member submitted as follows:

a) The investigation period under SCN is from 15th April, 1999 to 8th September, 1999. The price increased from Rs.80/- to as high as Rs.5000/-.

b) It was submitted that the member has traded only for three days i.e. on 17th January, 2001, 19th January, 2001 and 15th January, 2001.

c) The trades on 17th January, 2001 were at Rs.582.07. The lower and high of that day in the said scrip was Rs.515/- and Rs.587/-. The member purchased only 3460 shares for and on behalf of its clients. All the trades have been resulted in payment and delivery of money/shares and that the trades were in accordance with the Stock Exchange Mechanism and executed on BOLT.

6.9 Regarding trades in Ranbaxy Laboratories, the member submitted as follows :

a) Two trades at the interval of five months were picked up in the SCN.

b) 1st trade was purchase of 1,000 shares, was executed on 17th April, 1999 and it is contended that this trade has influenced the price on this scrip was Rs.5/-. The 2nd trade for purchase of 25,000 shares after a period of five months from the 1st trade has influenced the price of this scrip was Rs.8/-.

c) Though the variation in the price was negligible as per the SCN, it was alleged that the member interfered with free and fair prices discovery in the scrip.

6.10 It was submitted that the examples cited in the SCN in respect of three day's trades of GTB, three trades of Lupin, four trades of Shonkh, three trades of Aftek and two trades of Ranbaxy has resulted in leveling host of charges against the member which remained unsubstantiated. The trades were in accordance with the Stock Exchange Mechanism.

6.11 It was submitted that if the allegations were so serious, the member would not have been allowed to carry on any business either by SEBI or by the exchange as has been done in a number of cases.

6.12 It was also submitted that having regard to the volatility of the market and the volume being executed by the member, there was not even a procedural lapse or irregularity in fulfilling any of their obligations towards the exchange or towards the clients.

6.13 It was also submitted that the penalty of suspension of two years is very gross, highly disproportionate and does not take into consideration relevant factors and further tantamount to a civil death of a member of the stock exchange and this being the only source of income would not allow him to do any other business in accordance with the rules, regulations and bye laws of the exchange.

6.14 It was finally submitted that the punishment of suspension was recommended only because the member acted as a broker for and on behalf of two KP entities viz. Classic and Panther. If the name of KP and / or KP entities are removed from all the trades, which have been cited in the SCN, then, in that event, there was nothing wrong and/or irregular and or abnormal in the transactions executed by the member.

6.15 It was finally respectfully submitted that the penalty recommended be withdrawn having regard to the facts and circumstances of the case.

8. I have considered the Enquiry Officers findings and the reply of the member in respect of dealing in GTB shares:

7.1 I find that the price of GTB scrip had gone up from a low of Rs.57.00 on October 11, 2000 to Rs.114.70 on November 20, 2000 (on BSE), ie., an increase of more than 100% in just 29 trading sessions. During the same period the prices on NSE had gone up from a low of Rs.57,05 to a high of Rs.114/. For the period from September 1, 2000 to October 10, 2000 the average daily volumes on BSE were below 28,000 while the same had increased to more than 7,70,000 during the period of October 25, 2000 to November 23, 2000. For the same periods the average daily volumes on NSE were 4,20,000 and 12,96,000 respectively. The prices and volumes of other new private sector bank scrips such as HDFC Bank, ICICI Bank, UTI Bank, GTB had not increased so significantly in other scrips during the above mentioned periods and dates.

7.2 A table showing comparison of price rise in the scrip of GTB vis-à-vis other private sector banks are as under:-

COMPARISON OF PRICES OF NEW PRIVATE SECTOR BANK SCRIPS

BSE

NSE

Scrip Name

Low on 11/10/2000

High on 20/11/2000

% Change

Low on 11/10/2000

High on 20/11/2000

% Change

HDFC Bank Ltd.

230.00

232.50

1.09%

229.25

230.00

0.33%

ICICI Bank Ltd.

109.00

151.05

38.58%

110.00

149.50

35.91%

Global Trust Bank Ltd.

57.00

114.70

101.23%

57.05

114.00

99.82%

UTI Bank Ltd.

33.60

45.10

34.23%

33.00

45.00

36.36%

7.3 From the above, I find that during October, November, 2000 the percentage increase in the price of the scrip was 101.23% in BSE and 99.82% which was far greater than other private sector bank scrips. I find that the noticee has not contested seriously above price rise and volume in the scrip of GTB during the period under investigation.

7.4 From the profit and loss account of Global Trust Bank for the period of April to September 2000, it is seen that sales had risen by 50% and Net Profit had risen by

51.23%. Thus fundamentally also there was no reason for the rise in the scrip price as the growth rates in the net profits and other fundamentals of the bank GTB were similar to the growth in the fundamentals of other new private sector banks. I therefore hold that the price rise in the scrip of GTB during the said period was abnormal.

7.5 I find that the trading in the scrip of GTB during the period was concentrated among a few brokers, such as Triumph Securities Limited, Indsec Securities, Hem Securities, CSFB, C J Dalal, Millennium Equities, Milan Mahendra Securities Pvt Ltd, Latin Manharalal who had dealt for Ketan Parekh entities such as Panther Fincap and Classic Credit Ltd.

7.6 The extract of order log and trade log for the trades executed by C J Dalal on BSE in the scrip of GTB during the investigation period is reproduced as under:-

7.7 I find from the order log and trade log of 27/10/2000 that during the day till 15:07 hrs the scrip of Global Trust Bank traded between Rs.67 to 68.10. The last trade being executed at Rs.67 at 2:37:59 p.m. thereafter at 15:07:57 the member placed a buy order for 5000 shares at Rs.67. This trade was executed for only 2475 shares at Rs.67 and 2525 shares were still pending as buy order. The member then placed another buy order at 15:09:03 hrs for 5000 shares at Rs.69 though at that time seller were available at Rs.67.40 also. Further three more buy orders were placed by the member in quick succession even when there were its unexecuted buy orders at lesser price. The first order was at 15:11:03 hrs for 5000 shares at Rs.69.65 and second order also for 5000 shares at Rs.72.50 at 15:11:11 hrs The third order was placed at 15:11:28 hrs for 5000 shares at Rs.73.20 which was 8% upper circuit filter price for that day. At the time the order was placed at Rs.72.50 at 15:11:11 hrs sellers were available at Rs.69.70, 69.90, 70, 70.50, 71, 71.25.

7.8 It is seen from the order log and trade log of 2/11/2000 that at 13:32:56 a buy order for GTB scrip on behalf of Panther Fincap & Management Services Ltd which is a Ketan Parikh entity was placed for 5000 shares at Rs. 77/-. 551 shares were purchased out of order of 5000 shares. Another buy order for 5000 shares was placed by the member at 13:33:08 hrs at Rs. 78/- and only 400 shares were purchased. As such there was a pending order for more than 9000 shares for Panther Fincap & Management Services Ltd. Immediately thereafter at 13:33:20 another buy order for 5000 shares at Rs. 80/- was placed for the same client though at the time the order was placed best five sale quotes was available from Rs. 79 to Rs. 79.80. At 14:55:26 C J Dalal placed a large order for 1,00,000 shares of Global Trust Bank at Rs. 81/- (i.e. additional 8% relaxed circuit filter limit). At the time this order was placed, the scrip was available at Rs. 81/-. After about 8800 shares executed, the pending order was deleted by C J Dalal after 7 minutes. The price declined after this, to Rs. 79.65. This large order was thus entered with a view to artificially maintain the price of the shares of GTB at higher levels.

7.9 On 3/11/2000 at 13:24:02 the member placed large buy orders for its client Panther Fincap & Management Services Ltd. at increasing prices from Rs. 86.75 to Rs. 92.35. The opening price was Rs.81/- but Rs. 92.35 price was 16 % higher, i.e., at second upper circuit filter price on this day. No other member was interest to buy at the upper circuit filter price except the member. After execution of orders by the member and canceling the pending order, the price of the scrip fell down and closed at Rs. 88.10. Thus prices were artificially taken up to the level of Rs.92.35, which was 16% upper filter limit for the day.

7.10 I find that the member had not denied execution of trades in GTB on behalf of Panther Fincap. He has submitted that trading by his client in aforesaid 3 days ie., 27.10.2001, 2.11.2001, 3.11.2001 was claimed to be less than 35% of GTB in BSE. The member has further submitted that all the orders on these days were executed on behalf of Panther Fincap & Management Services Ltd. and as per their instructions regarding the price and quantity. It was also submitted that orders were modified/cancelled etc., at the instruction of the client. Thus the member has not disputed the above trades as stated above. I find that the member had purchased a total of 1,75,455 shares of GTB for single client Panther Fincap which is a Ketan Parikh entity.

7.11 I have also considered the submission of the member that his client M/s. Panther asked him to purchase specific quantity of shares of GTB at the specified rates and he acted as per their instructions purely as broker. Since GTB was in the rolling settlement and there were not much sellers in the scrip and client desired to buy the specified quantities and for that purpose, the orders were revised, modified and/or deleted as per their request qua the quantity and rates. The member stated that modification / deletion of client’s order/s on their instruction is in the normal course of the business for a stock broker and there were no suspicious circumstances to warrant our additional attention in the conduct of business as stock broker either in respect of the client or the scrip in question. The member contended that he never assists, aid or advise his client/s or sub-brokers in selecting scrip’s, the manner of placement of order/s, its size, the rate/s which order/s be placed, modification of the order/s or its deletion/s. The member stated that frequent placement/s, modifications and deletions of orders many times during the day is at the sole discretion of the clients concerned and a stock broker has very little role to play in it. Further, he stated that stockbroker has to consider credit worthiness of the client where large quantities are being bought and sold by the client. The member argued that if a client is entering into transactions beyond his financial capacity, then only a broker can stop punching orders of the client, otherwise it is for the client to decide why he is buying large quantities. The member contended that merely because of frequent modifications and/or deletions of orders by the clients, he cannot be alleged to have aided or assisted clients or other brokers.

7.12 I find from the pattern of trade as given above in paras 7.6 to 7.10 that deals were entered to artificially maintain the price of GTB share at higher level and same was not possible without the assistance of the member. It would also be very naïve to believe that the member was not aware of the reason for frequent modifications or deletions of orders by his one client Panther Fincap in liquid scrip like GTB. The member had submitted that the stockbroker has to consider credit worthiness of the client where large quantities are being bought and sold by the client. If client is entering into transactions beyond his financial capacity, then only a broker can stop punching orders of the client, otherwise it is for the client to decide why he is buying large quantities. This explanation of the member cannot be accepted in light of the responsibilities cast on the stock-broker by the SEBI Act and the Regulations framed thereunder. Regulation 7 of the SEBI (Stock Brokers and Sub brokers) Regulations, 1992 specifies the code of conduct to be adhered to by the stock brokers. Clauses A (1) to (5) of Schedule II read with the aforesaid regulations are pointers to that effect.

7.13 Further, I find that the crux of the members submission has been that as a broker in screen based trading he had no means of knowing as to who the other side buying/selling party is and as such the question of facilitating creation of artificial volume does not arise and he had not traded on propriety account. With respect to GTB shares the member submitted that as per the show cause notice only three trades dated 27th October, 2000, 2nd and 3rd November, 2000 were found objectionable in the SCN. The submission of the member cannot be acceptable on the mere fact and finding of the Enquiry Officer in his report that the price of

GTB scrip had gone up from a low of Rs. 57.00 on October 11, 2000 to Rs. 114.70 on November 20, 2000 (on BSE) i.e. an increase of more that 100% in just 29 trading sessions. This shows the magnitude of the manipulation. In light of the said fact few transactions of the member become all the more relevant and important. Further, I find that the scrips in which the member had traded including that of GTB were the scrips which were commonly known in the market as the scrips of interest of Ketan Parekh. Therefore, the submission of the member that the member could not know who the counter party was or that he was acting only as per the client's diktats cannot be accepted. This is particularly supported by the fact that the member was placing the orders at higher price than the prevailing market price and was also canceling the pending orders. This fact is enough to conclude that the member was facilitating Ketan Parekh entities in manipulating the price of the scrip of GTB.

7.14 Further as per the aforesaid regulations, a stock-broker has to ensure that his action directly or indirectly should not lead to interfere with the price discovery mechanism of the scrip. From the pattern of trading as given above it is clear that the member was instrumental in creation of artificial market or price rise in the scrip of GTB for the said period under investigation.

9. I have considered the findings of the Enquiry Officer in respect of dealings in the scrip of Lupin Laboratories Ltd.

8.1 I find that there was significant price rise and volumes were witnessed in the scrip of Lupin Laboratories Ltd. (Lupin) during the period September – December 1999 on The Stock Exchange, Mumbai (BSE) and National Stock Exchange (NSE). Finding of Investigations show that, the scrip of Lupin Laboratories Ltd. was being quoted/transacted in the range of Rs.100/- to Rs.150/- during April to August, 1999. The average daily volumes for the scrip during the period April-August, 1999 were to the extent of 10,000-15,000 shares per day on BSE and NSE. From the month of August 1999 the price of the scrip started moving upwards which was accompanied with significant increase in the average daily volumes for the scrip in BSE and NSE. The price of the scrip during the period September– December 1999 increased from a range of Rs.150/- to Rs.600/-. The finding of investigation shows that the average daily volumes in the scrip of GTB also moved from 10,000-15,000 shares per day to approx. 80,000-1,00,000 shares per day during this period. During January 2000 the scrip was shifted to compulsory rolling settlement mode (from January 10, 2000). The scrip after January 2000 showed a decline in price and reached to Rs.150/- during June 2000. The average daily volumes during this period were in the range of 10,000 – 15,000 shares per day.

8.2 The finding of investigation shows that the price movement in the scrip of Lupin Laboratories Ltd. was not in consonance with the movement of the major pharma stock such as Cipla Ltd., Novartis India Ltd., Glaxo India Ltd. and Ranbaxy Laboratories Ltd. The volumes in the scrip during August – December 1999 were also found to be very high as compared to the volumes in the scrip prior to aforesaid period as well as after the aforesaid period. A comparison of the price movement of the scrip of Lupin Laboratories Ltd. vis-à-vis the price movements of other scrips in the same industry (i.e. pharmaceutical industry) was given in the finding of investigation is tabulated below:-

PRICE MOVEMENT OF CERTAIN SELECT PHARMA STOCKS

Date	Ranbaxy	Glaxo	Novartis	Lupin	Cipla
01-Sep-99	1128.1	709	979	169.35	979.56
02-Sep-99	1099	701.4	981	161.15	984.51
03-Sep-99	1062.1	706	979.04	157.25	1002.96
06-Sep-99	1106.95	727	970.1	169.45	1083.19
07-Sep-99	1097.5	729.5	937.84	182.95	1081.89

08-Sep-99	1126	729.5	917.59	184.1	1078.2
09-Sep-99	1103.25	724	898.9	178.1	1085.44
10-Sep-99	1100	720.05	898.01	171.7	1094.4
14-Sep-99	1058	722	898.86	181.7	1181.93
15-Sep-99	1040.95	710.5	886.48	174.45	1191.96
16-Sep-99	1008	705	888.22	170	1164.92
17-Sep-99	1009	707.1	887.33	169.5	1177.2
20-Sep-99	999.75	729	905.53	167.9	1258.38
21-Sep-99	979	740	907.8	167.7	1359.04
22-Sep-99	1030	756.9	931.83	169.6	1467
23-Sep-99	1089.1	770	953.41	183.15	1555.2
24-Sep-99	1047	763	950.52	197.75	1548
27-Sep-99	1077.75	767	949.5	212.55	1521
28-Sep-99	1069.75	773.5	932.9	229.5	1454.4
29-Sep-99	1092	790	940.15	247.85	1469.25
30-Sep-99	1072.05	775	949.54	254.8	1421.64
01-Oct-99	1025	750	932.72	239.55	1355.4
04-Oct-99	989.05	746.5	930.05	234	1433.16
05-Oct-99	1009.5	744.4	930.05	241	1429.2
06-Oct-99	992.25	751	943.4	260.25	1430.28
07-Oct-99	1071.6	811.05	996.8	281.05	1544.69
08-Oct-99	1157.3	837.3	1001.25	303.5	1571.4
11-Oct-99	1161	855	1031.29	327.75	1697.09
12-Oct-99	1153	863	1044.86	353.95	1789.2
13-Oct-99	1215	897	1050.2	382.25	1760.4
14-Oct-99	1204	968	1075.97	395	1680.48
15-Oct-99	1107.7	925	1075.3	365.5	1594.8
18-Oct-99	1121.35	921	1148.1	394.7	1574.13
20-Oct-99	1123.4	893	1063.15	426.25	1722.35
21-Oct-99	1050	846	1061.32	417.4	1615
22-Oct-99	1016.2	800	1029.73	401.9	1542
25-Oct-99	989.4	774	996.8	369.75	1418.65
26-Oct-99	994	745	1003.83	377.05	1414
27-Oct-99	968	752	1001.25	358.35	1364
28-Oct-99	930	745	996.8	330.6	1305.4
29-Oct-99	869.95	739	1076.5	319.95	1300
01-Nov-99	800.4	725	1049.53	294.4	1239
02-Nov-99	864.4	773	1060.88	317.9	1338.1
03-Nov-99	841.15	732.2	1051.54	307.2	1245.5
04-Nov-99	908.4	707	1023.5	314.8	1266.25
05-Nov-99	954.15	710.05	1034.45	339.5	1281
07-Nov-99	962.5	729.75	1048.64	345.9	1310.25
09-Nov-99	971	716.4	1032.4	363.65	1304
11-Nov-99	980.2	745.5	1041.3	360.4	1302
12-Nov-99	993	737	1057.32	371.35	1280

15-Nov-99	979	740.45	1069.78	371.25	1262
16-Nov-99	970	740	1058.21	374.95	1362.95
17-Nov-99	942.95	743.15	1052.78	388.9	1355.05
18-Nov-99	929	742	1054.29	373.95	1388
19-Nov-99	920.6	734.05	1022.08	369.35	1388
22-Nov-99	931	736.6	1027.95	398.85	1464
24-Nov-99	976	745	1028.84	415	1452
25-Nov-99	988	746	1027.1	416.5	1434.95
26-Nov-99	990	743.1	1030.26	449.25	1467
29-Nov-99	979.5	757	1055.5	485.15	1540.55
30-Nov-99	992.5	788	1047.53	468	1626.4
01-Dec-99	1005	768.05	1056.92	458	1570
02-Dec-99	1083	770	1096.48	448	1580
03-Dec-99	1075	758.5	1183.7	452	1544.45
06-Dec-99	1092	769	1245.55	488.15	1546
07-Dec-99	1136	760	1195.27	527.15	1525
08-Dec-99	1045.15	740.5	1139.2	504	1456.25
09-Dec-99	1045	739.5	1130.3	496	1460
10-Dec-99	1004	738.4	1112.94	504	1460
13-Dec-99	999	737.6	1114.32	514	1359.15
14-Dec-99	977	707	1100.26	491	1385
15-Dec-99	940	703	1072.45	481.55	1340
16-Dec-99	980	716	1120.73	519.9	1429
17-Dec-99	935	703	1110.28	540	1481.15
20-Dec-99	957	758.95	1165.9	497	1570
21-Dec-99	945	728	1155.22	536.75	1530
22-Dec-99	953	727.75	1134.75	579.65	1479
23-Dec-99	956	734	1121.58	596	1470.7
24-Dec-99	928.95	719	1103.6	555	1373
27-Dec-99	923.5	722.1	1112.5	549	1350.3
28-Dec-99	927.85	730.5	1121.84	557.5	1416.75
29-Dec-99	932	733.85	1141.87	567	1400
30-Dec-99	923	730.75	1138.98	575	1390

8.3 From the above, I find that the price of the scrip of Ranbaxy Laboratories Ltd. moved from Rs. 1128/- on September 01, 1999 to Rs. 923/- on December 31, 1999, which showed a decrease of about 18% in the price of the scrip. The price of the scrip of Glaxo moved from Rs. 709/- to Rs. 730/-, which shows a rise of about 3%, the price of Novartis moved from Rs. 979/- to Rs. 1139/- i.e. a rise of about 16% and Cipla moved from Rs. 979/- to Rs. 1390/-, which showed a rise of about 43%. It is also seen that, the price rise in the scrip of

Lupin Laboratories Ltd. during the aforesaid period from Rs. 170/- to Rs. 575/- which was a rise of about 239% which cannot be stated to be normal.

8.4 From the above I find that the price rise in the scrip of Lupin Laboratories Ltd. during the aforesaid period was neither in consonance with the movement of market indices such as BSE Sensex and NSE-Nifty nor was in tandem with the price movements of other scrips in the pharmaceutical industry like Ranbaxy, Glaxo, Novartis and Cipla. It was observed from the analysis of price volume data that price of the scrip of Lupin Laboratories Ltd. moved from Rs. 175/- to Rs. 609/- during September – December 1999. This price –volume movement was not in consonance with movement of indices or price movement of other scrips in the industry. I find that the member has not disputed the above figures as price rise and volume in the scrip of Lupin.

8.5 I find that the following broker traded in the scrip of Lupin for the following clients given in second column against their names as under:-

Brokers of BSE	
Name of the Broker	**Name of the main client**
Triumph Securities Ltd.	Classic Credit Ltd., Panther Fincap and Management Services Ltd.
Pravin V. Shah share and Stock Brokers Pvt. Ltd.	Classic Credit Ltd.
C. J. Dalal	Classic Credit Ltd., Panther Fincap and Management Services Ltd.
Hem Securities Ltd.	Classic Credit Ltd., Panther Fincap and Management Services Ltd.
Milan Mahendra Securities Pvt. Ltd.	Classic Credit Ltd., Panther Fincap and Management Services Ltd.

Brokers of NSE

Name of the Broker	Name of the main client
NH Securities Ltd.	Classic Credit Ltd., Panther Fincap, Saimangal Investarde Ltd.
Triumph International Finance India Ltd.	Classic Credit Ltd.
Classic Share and Stock Broking Services Ltd.	Classic Credit Ltd.
Pravin V. Shah share and Stock Brokers Pvt. Ltd.	Classic Credit Ltd.
Hem Securities Ltd.	Classic Credit Ltd., Panther Fincap and Management Services Ltd.
Milan Mahendra Securities Pvt. Ltd.	Classic Credit Ltd., Panther Fincap and Management Services Ltd.

8.6 From the above table it can be seen that, the aforesaid brokers have transacted in the scrip of Lupin Laboratories Ltd. on behalf of a set of clients namely, Classic Credit Ltd., Panther Fincap and Management Services Ltd. and Saimangal Investrade Ltd. These clients were the investment companies associated/connected with Ketan Parekh.

8.7 The table below shows the comparison of transactions by the aforesaid brokers associated/connected with Ketan Parekh vis-à-vis the total transactions in NSE in the scrip of Lupin Laboratories Ltd. during the period under consideration :

Sett. No.	Name of the broker	% of Net sale vis-à-vis mkt.net qty.	% of Net buy vis-à-vis market net qty.	% of gross traded vis-à-vis market gross qty.
1999040	Triumph Intl. Finance	22.15	-	6.47
	Milan Mahendra	-	5.48	-
1999041	NH Securities	-	39.03	10.85
1999042/43/44 under No Delivery				
19999045 (for	Triumph Intl. Finance	55.6	-	5.21

1999042 to 45)				
	NH Securities	-	42.73	14.97
1999046	NH Securities	60.07	-	5.47
	Classic Share & Stock Broking Services Ltd.	-	5.51	-
1999047	NH Securities	-	55.63	4.5
	Classic Share & Stock Broking Services Ltd.	-	26.52	30.45
1999048	Triumph Intl. Finance	31.59	-	9.86
	NH Securities	-	15.28	-
1999049	Triumph Intl. Finance	-	42.22	12.85
	NH Securities	-	3.35	-
1999050	Triumph Intl. Finance	5.38	-	7.81
	NH Securities	-	5.34	4.77
1999051	NH Securities	-	20.59	5.49
1999052	NH Securities	-	29.71	5.17
2000001	NH Securities	-	26.24	6.5
	Milan Mahendra	-	6.78	-
2000002	Triumph Intl. Finance	-	18.23	54.95
2000003 to 2000007 under No Delivery		-	-	-
2000008	Triumph Intl. Finance	3.08	-	-
2000011	Triumph Intl. Finance	1.26	-	0.62
2000013	Triumph Intl. Finance	3.33	-	
2000014	NH Securities	56.18	-	26.67
	Triumph Intl. Finance	-	6.51	3.09
2000015	NH Securities	76.82	-	32.44
2000020	NH Securities	61.02	-	23.34
2000022	Triumph Intl. Finance	-	2.46	-
2000023	NH Securities	75.77	-	5.56
	Triumph Intl. Finance	-	18.39	85.19
2000024	NH Securities	29.11	-	7.06
2000025	Triumph Intl. Finance	-	19.49	94.78
2000026	Classic Share & Stock Broking Services Ltd.	46.19	-	16.97
	Triumph Intl. Finance	18.41	-	6.77
2000027	Triumph Intl. Finance	51.88	-	23.93
	NH Securities	44.47	-	19.72
	Milan Mahendra	-	7.71	-
2000028	NH Securities	72.96	-	26.77
2000029	NH Securities	72.89	-	29.23
2000030	NH Securities	77.66	-	31.2
	Triumph Intl. Finance	-	16.51	9.89
2000031	NH Securities	53.61	-	23.19
	Triumph Intl. Finance	20.29	-	8.78

2000032	Classic Share & Stock Broking Services Ltd.	79.03	-	23.24
	NH Securities	5.69	-	18.41
	Triumph Intl. Finance	-	17.79	7.74
2000033	Triumph Intl. Finance	9.7	-	54.45
2000034	Triumph Intl. Finance	7.05	-	2.54
2000035	Classic Share & Stock Broking Services Ltd.	46.01	-	21.06
	NH Securities	2.94	-	-
2000036	Classic Share & Stock Broking Services Ltd.	77.79	-	34.11
2000038	NH Securities	37.28	-	16.27
	Triumph Intl. Finance	15.06	-	6.58
2000039	Triumph Intl. Finance	4.13	-	-
2000040	Classic Share & Stock Broking Services Ltd.	85.49	-	31.24
2000041	Classic Share & Stock Broking Services Ltd.	39.79	-	18.47
	NH Securities	39.79	-	18.47

8.8 Finding of Investigations show that, Classic Credit Ltd. is an investment company associated/connected with Shri Ketan Parekh, who is the director and person in-charge of management and operations of the company. It was seen that Classic Credit Ltd. had transacted in the scrip of Lupin Laboratories Ltd. during the period under consideration in large quantities. The member, C.J.Dalal also traded for Classic Credit Limited. The table below shows the details of transactions done in stock exchanges through different brokers by CCL.

Name of the Exchange	Settlement No.	Name of the Broker	Gross Purchase	Gross Sale	Net Position
BSE	30/99-2000	Milan Mahendra	0	22400	-22400
BSE	37/99-2000	Milan Mahendra	0	29931	-29931
BSE	39/99-2000	Milan Mahendra	0	10000	-10000
BSE	40/99-2000	Milan Mahendra	35000	3850	31150
BSE	30/99-2000	C. J.Dalal	60900	62800	-1900
BSE	32/99-2000	C. J.Dalal	5400	0	5400
BSE	33/99-2000	C. J.Dalal	5400	0	
BSE	34/99-2000	C. J.Dalal	9500	5100	4400

BSE	35/99-2000	C. J.Dalal	4400	4400	0
BSE	37/99-2000	C. J.Dalal	0	2931	-2931
BSE	38/99-2000	C. J.Dalal	10000	10000	0
BSE	39/99-2000	C. J.Dalal	7500	7500	0
BSE	40/99-2000	C. J.Dalal	10000	15000	-5000
BSE	42/99-2000	C. J.Dalal	0	10000	-10000
BSE	30/99-2000	Hem Securities Ltd.	0	25000	-25000
BSE	35/99-2000	Hem Securities Ltd.	12600	222100	-209500
BSE	37/99-2000	Hem Securities Ltd.	0	35000	-35000
BSE	39/99-2000	Hem Securities Ltd.	0	5000	-5000
BSE	40/99-2000	Hem Securities Ltd.	70000	22602	47398
BSE	42/99-2000	Hem Securities Ltd.	0	10000	-10000
BSE	29/99-2000	Triumph Securities	86300	0	86300
BSE	38/99-2000	Triumph Securities	0	21602	-21602
BSE	39/99-2000	Triumph Securities	0	7617	-7617
BSE	30/99-2000	Pravin V. Shah	0	25000	-25000
BSE	36/99-2000	Pravin V. Shah	0	66000	-66000
BSE	38/99-2000	Pravin V. Shah	6202	6202	0
BSE	42/99-2000	Pravin V. Shah	0	4735	-4735
		BSE Total	**323202**	**634770**	**-316968**
NSE	N/1999046	Classic Shares & Stock Broking	0	9600	-9600
NSE	N/1999047	Classic Shares & Stock Broking	595005	0	595005
NSE	N/1999051	Classic Shares & Stock Broking	241500	0	241500
NSE	W/200026	Classic Shares & Stock Broking	5000	0	5000
NSE	W/200032	Classic Shares & Stock Broking	27770	0	27770
NSE	W/200035	Classic Shares & Stock Broking	16232	0	16232
NSE	W/200036	Classic Shares & Stock Broking	60000	0	60000
NSE	W/200040	Classic Shares & Stock Broking	12315	0	12315
NSE	N/1999045	NH Securities Ltd.	0	455800	-455800
NSE	N/1999046	NH Securities Ltd.	104700	0	104700
NSE	N/1999048	NH Securities Ltd.	0	26118	-26118
NSE	N/1999049	NH Securities Ltd.	0	5000	-5000
NSE	N/1999050	NH Securities Ltd.	0	21600	-21600
NSE	N/1999051	NH Securities Ltd.	0	38846	-38846
NSE	N/1999052	NH Securities Ltd.	0	15225	-15225

NSE	N/2000001	NH Securities Ltd.	0	34850	-34850
NSE	N/1999043	Triumph International Finance India Ltd.	45000	0	45000
NSE	N/1999047	Triumph International Finance India Ltd.	100000	65000	35000
NSE	N/1999048	Triumph International Finance India Ltd.	0	15000	-15000
NSE	N/1999049	Triumph International Finance India Ltd.	0	38788	-38788
NSE	N/1999050	Triumph International Finance India Ltd.	51370	51370	0
NSE	W/1999187	Triumph International Finance India Ltd.	0	241500	-241500
NSE	F/2000030	Triumph International Finance India Ltd.	90000	0	90000
NSE	F/2000034	Triumph International Finance India Ltd.	208007	0	208007
NSE	S/1999025	Triumph International Finance India Ltd.	0	125000	-125000
	26/11/1999	M. D. Doshi	300000	0	300000
		NSE Total	**1856899**	**1143697**	**713202**
		BSE and NSE Total	**2180101**	**1778467**	**396234**
		Gross BSE and NSE (Purchase + Sale)	**3958568**		

8.9 From the above table it can be seen that, Classic Credit Ltd. purchased 3,23,202 shares and sold 6,34,700 shares resulting in a net position of 3,16,968 shares sold at BSE. Likewise, on NSE Classic Credit Ltd. had purchased 18,56,899 shares and sold 11,43,697 shares and therefore had a net purchase position of 7,13,202 shares. Classic Credit Ltd. together on BSE and NSE had a purchase of 21,80,101 shares and sale of 17,78,467 shares which results in a net purchase position of 3,96,234 shares and gross position of 39,58,568 shares transacted. It therefore can be seen that, Classic Credit Ltd. transacted in the scrip of Lupin Laboratories Ltd. in significant quantities through different brokers on BSE and NSE , including the member.

8.10 The analysis of order log and trade log shows that Classic Credit Ltd. has entered orders for purchase of shares of Lupin Laboratories Ltd. with a view to establish a higher price for the scrip on certain occasions. The following is an illustration of such instances :

Date	Name of the Exchange	Name of the Broker	Time	Qty.	Order No.	Rate (Rs.)	* LTP (Rs.)	Change in Price (Rs.)
6/10/1999	BSE	Triumph Securities Ltd.	10:14:37	10000	372010160	250	245	5
6/10/1999	BSE	Triumph Securities Ltd.	10:15:44	10000	372010161	255	250	5
6/10/1999	BSE	Triumph Securities Ltd.	10:16:47	10000	372010162	260	255	5
6/10/1999	BSE	Triumph Securities Ltd.	10:17:24	10000	372010166	260.1	260	0.1
6/10/1999	BSE	Triumph Securities Ltd.	10:17:35	10000	372010167	260.2	260.1	0.1
6/10/1999	BSE	Triumph Securities Ltd.	10:18:01	10000	372010169	260.25	260.2	0.05
14/10/99	BSE	C. J. Dalal (purchase)	10:03:34	25000	85040040	411	382.25(closing price on previous day)	Buyer and Seller both Classic Credit Ltd.
14/10/99	BSE	Parvin V. Shah (sale)	10:03:34	25000		411		
14/10/99	BSE	C. J. Dalal (purchase)	15:12:51	30000	85040076	412.80	Buyer and Seller both Classic Credit Ltd.	
14/10/99	BSE	Milan Mahendra (sale)	15:12:52	40000	460120041	412.80		
15/10/99	BSE	C.J. Dalal	10:33:55	5000	85040083	365	Orders placed at increasing rates established a rate of Rs.390/- from Rs.365/-	
15/10/99	BSE	C.J. Dalal	10:40:49	5000	85040085	365		
15/10/99	BSE	C.J. Dalal	10:44:52	5000	85040087	365		
15/10/99	BSE	C.J. Dalal	11:05:33	5000	85040089	365		
15/10/99	BSE	C.J. Dalal	12:14:50	100000	85040102	366		
15/10/99	BSE	C.J. Dalal	12:15:54	50000	85040104	375		
15/10/99	BSE	C.J. Dalal	12:16:05	25000	85040105	385		
15/10/99	BSE	C.J. Dalal	12:16:20	25000	85040106	390		
15/10/99	BSE	C.J. Dalal	12:17:55	25000	85040110	400		
11/11/99	BSE	C.J. Dalal	14:05:18	25000	85040038	350	343	

* LTP- Last Traded Price.

8.11 From the above table it can be seen that Classic Credit Ltd. on various days was instrumental in establishing an artificial higher price for the scrip of Lupin Laboratories Ltd. On October 6, 1999, Classic Credit Ltd. placed consecutive buy order of large quantities at increasing rates. From the above table, it can be seen that these orders were placed during the period 10:15:44 to 10:51:34 in large quantities in the price range of Rs.250/- to Rs.260.25, when the market price in the scrip was Rs.245/-. These orders established a price of Rs.260.25 in the scrip of Lupin Laboratories Ltd. on that day, which is the maximum permissible upper circuit price level of 8% above the closing price on the previous day. As a result of this, the scrip was traded only at the upper circuit price level of Rs.260.25 on that day.

8. 12 It is also seen that, on 14/10/99, Classic Credit Ltd. had placed an order for purchase of 25,000 shares of Lupin Laboratories Ltd. at the rate of Rs.411/- at 10:03:34 i.e. at the beginning of trading session through M/s. C.J. Dalal. At the same time, classic Credit ltd. placed an order for sale of 25,000 shares of Lupin Laboratories Ltd. through Pravin V. Shah Stock Broking P. Ltd. (member BSE). The closing price for the scrip on the previous day was Rs.382.25. The order for purchase and sale was entered and executed by Classic Credit Ltd. at the opening of trading session on 14/10/99 at a rate of Rs.411/-. With this transaction Classic Credit Ltd. established a price of Rs.411/- in the scrip of Lupin Laboratories Ltd. 8% higher than the closing price on the previous day which was Rs.382.25. On the same day, Classic Credit Ltd. had executed an order for 30,000 shares at 15:12:51 through C.J. Dalal at the rate of Rs.412.80 and an order for sale 40,000 shares at 15:12:52 through Milan Mahendra Securities P. Ltd. (member BSE). These order were matched for a quantity of 22,400 shares and the remaining quantity of 7,600 shares was deleted by Classic Credit Ltd. This transaction established a rate of Rs.412.80 in the scrip of Lupin Laboratories Ltd. on 14/10/99 which was the upper circuit level for the scrip i.e. at a rate of 8% above the closing price in the scrip on the pervious day.

8.13 On 15/10/99 it is seen that Classic Credit Ltd. placed orders during 10:33:55 to 11:05:33 with a view to establish a price of Rs.365/- for the scrip of Lupin Laboratories Ltd. and subsequently placed orders for purchase of shares of Lupin Laboratories Ltd. in large quantities at increasing rage from Rs.366/- to Rs.390/- during 12:14:50 to 12:16:20. It was also seen that the orders placed at Rs.366/- for 1,00,000 shares and

Rs.375/- for 50,000 shares was deleted for the remaining quantity and an order for purchased of 25,000 shares was placed at a rate of Rs.400/- at 12:17:55. These consecutive orders placed at increasingly higher rates and immediate deletion of the earlier orders placed for lower rates artificially established higher price of the scrip which moved from Rs.365/- to Rs.400/-.

8. 14 On 11/11/99, Classic Credit Ltd. placed an order for purchase of 25,000 shares of Lupin Laboratories Ltd. at the rate of Rs.350/- at 14:05:18 through M/s. C.J. Dalal. The market price in the scrip at that time was Rs.343/- and this order established a rate of Rs.350/- for the scrip of Lupin Laboratories Ltd. It was also seen that this order was deleted by Classic Credit Ltd. for a quantity of 21,900 shares at 14:09:54. This shows that Classic Credit Ltd. was putting orders for purchase of shares of Lupin with a view to establish an artificial price for the scrip.

8. 15 From the above, it can be seen that Classic Credit Ltd. has entered order for purchase of shares of Lupin Laboratories Ltd. at a rate which was higher than the prevailing rate/last traded price for the scrip. These buy orders which were in large quantities, swept the existing purchase orders at increasing rates and established a higher price for the scrip. On certain occasions these large orders caused the price to move up and touch the upper circuit price level for the scrip for the day.

8. 16 The table below shows a summary of transactions entered into by Panther Fincap in the scrip of Lupin Laboratories Ltd. through various brokers including the member, during the aforesaid period.

Name of the Exchange	Settlement No.	Name of the Broker	Gross Purchase	Gross Sale	Net Position
No	31/8/1999	N.A.	386900	0	386900
BSE	36/99-2000	Milan Mahendra	0	103489	-103489

BSE	36/99-2000	C. J. Dalal	0	100783	-100783
BSE	36/99-2000	Hem Securities Ltd.	0	71187	-71187
BSE	36/99-2000	Triumph Securities Ltd.	0	17500	-17500
NSE	N1999047	NH Securities Ltd.	0	189315	-189315

8. 17 Findings of investigations show that, M/s C. J. Dalal had transacted in the scrip of Lupin mainly on behalf of Classic Credit Ltd. and Panther Fincap and Management Services Ltd., which are the investment companies associated/connected with Ketan Parekh. The details of transactions done by the member in the scrip of Lupin Laboratories Ltd. for these entities of Ketan Parekh are as under:

Transactions of Classic Credit Ltd. through M/s C. J. Dalal					
Name of the Exchange	Settlement No.	Name of the Broker	Gross Purchase	Gross Sale	Net Position
BSE	30/99-2000	C. J.Dalal	60900	62800	-1900
BSE	32/99-2000	C. J.Dalal	5400	0	5400
BSE	33/99-2000	C. J.Dalal	5400	0	5400
BSE	34/99-2000	C. J.Dalalf	9500	5100	4400
BSE	35/99-2000	C. J.Dalal	4400	4400	0
BSE	37/99-2000	C. J.Dalal	0	2931	-2931
BSE	38/99-2000	C. J.Dalal	10000	10000	0
BSE	39/99-2000	C. J.Dalal	7500	7500	0
BSE	40/99-2000	C. J.Dalal	10000	15000	-5000
BSE	42/99-2000	C. J.Dalal	0	10000	-10000
Transactions of Panther Fincap and Management Services Ltd. through M/s C. J. Dalal					
Name of the Exchange	Settlement No.	Name of the Broker	Gross Purchase	Gross Sale	Net Position
BSE	36/99-2000	C. J. Dalal	0	100783	-100783

8.18 From the above table it can be seen that, the M/s C. J. Dalal had transacted in the scrip of Lupin Laboratories Ltd. on behalf of Classic Credit Ltd. and Panther Fincap and Management Services Ltd. in significant quantities. It can be seen that, Classic Credit Ltd. transacted for 2,30,831 shares on gross basis M/s C. J. Dalal. It had purchased 1,13,100 shares on gross basis and sold 1,17,731 shares on gross basis through M/s C. J. Dalal resulting in a net position of 4,631 shares sold. It is also seen that, Panther

Fincap and Management Services Ltd. had sold 1,00,783 shares of Lupin Laboratories Ltd. through M/s C. J. Dalal during the aforesaid period. It is seen that, entities associated with Ketan Parekh together had transacted for 3,31,614 shares on gross basis and sold 1,05,414 shares on net basis of Lupin Laboratories Ltd. through M/s C. J. Dalal during the aforesaid period.

8.19 The finding of Investigations also show that, Classic Credit Ltd. established an artificial higher price by buying and selling shares of Lupin Laboratories Ltd. through M/s C. J. Dalal. The table below shows these instances :

Date	Name of the Exchange	Name of the Broker	Time	Qty.	Order No.	Rate (Rs.)	* LTP (Rs.)	Change in Price (Rs.)
14/10/99	BSE	C. J. Dalal (purchase)	10:03:34	25000	85040040	411	382.25(closing price on previous day)	Buyer and Seller both Classic Credit Ltd.
14/10/99	BSE	Parvin V. Shah (sale)	10:03:34	25000		411		
14/10/99	BSE	C. J. Dalal (purchase)	15:12:51	30000	85040076	412.80	Orders placed at increasing rates established a rate of Rs.390/- from Rs.365/-	
15/10/99	BSE	C.J. Dalal	10:33:55	5000	85040083	365		
15/10/99	BSE	C.J. Dalal	10:40:49	5000	85040085	365		
15/10/99	BSE	C.J. Dalal	10:44:52	5000	85040087	365		
15/10/99	BSE	C.J. Dalal	11:05:33	5000	85040089	365		
15/10/99	BSE	C.J. Dalal	12:14:50	100000	85040102	366		
15/10/99	BSE	C.J. Dalal	12:15:54`	50000	85040104	375		
15/10/99	BSE	C.J. Dalal	12:16:05	25000	85040105	385		
15/10/99	BSE	C.J. Dalal	12:16:20	25000	85040106	390		
15/10/99	BSE	C.J. Dalal	12:17:55	25000	85040110	400		
11/11/99	BSE	C.J. Dalal	14:05:18	25000	85040038	350	343	7

8.20 From the above it can be seen that, Classic Credit Ltd. established an artificial higher price by buying and selling shares of Lupin Laboratories Ltd. through different brokers including the member. It was seen that, on 14/10/99 Classic Credit Ltd. placed an order for purchase of 30,000 shares of Lupin through C. J. Dalal at 15:12:51 and at the same time i.e. at 15:12:52 placed an order for sale of 40,000 shares of Lupin through Milan Mahendra Securities Pvt. Ltd.

on BSE. Both the orders were placed at Rs. 412.80. These order were matched for a quantity of 22,400 shares and the remaining quantity of 7,600 shares was deleted by Classic Credit Ltd. This transaction established an artificial rate of Rs.412.80 in the scrip of Lupin Laboratories Ltd. on 14/10/99 which was the upper circuit level for the scrip i.e. at a rate of 8% above the closing price in the scrip on the pervious day.

8.21 On 11/11/99, Classic Credit Ltd. placed an order for purchase of 25,000 shares of Lupin Laboratories Ltd. at the rate of Rs.350/- at 14:05:18 through M/s. C.J. Dalal. The market price in the scrip at that time was Rs.343/- and this order established a rate of Rs.350/- for the scrip of Lupin Laboratories Ltd. It was also seen that this order was deleted by Classic Credit Ltd. for a quantity of 21,900 shares at 14:09:54. This shows that Classic Credit Ltd. was putting orders for purchase of shares of Lupin with a view to establish an artificial price for the scrip.

8.22 From the above pattern of trading it would be clear that consecutive orders were placed by Ketan Parekh entities, i.e., Classic & Panther etc., at increasingly higher rate to establish higher price in the scrip of Lupin. The patterns of trading also show that same was not possible without assistance or connivance of the member. A series of such similar transaction shows that such trading was not coincidence but due to deliberate act of entities including the member. It is thus clear that C. J. Dalal, facilitated creation of artificial market and manipulation in the scrip of Lupin through placement of orders at artificial high price. This act of aiding, abetting and assisting Ketan Parekh and the investment companies associated/connected with him in manipulation of the price of Lupin Laboratories Ltd. scrip was in violation of regulation 4 (a) and (b) of the SEBI (Prohibition of Fraudulent and Unfair trade Practices) Regulations. I find that the member has sought to explain by submitting that he merely carried out instructions of his client. I don’t find merit in the submission. The trade by Ketan Parekh entities through different brokers and its impact on the price of Lupin has to be seen. The transactions of the member cannot be seen in isolation. From the patterns of trading as given above it is clear that the member was also instrumental for creation of artificial market in the scrip of Lupin.

10. I have considered the findings of the Enquiry Officer in respect of dealings in scrip of Shonkh technologies.

9.1 I find that the scrip of Shonkh Technology witnessed unusual movement as compared to the sensex. On 9/8/2000, the price of Shonkh on BSE was Rs.75.55 and sensex was 4317.04. On 27/9/2000, the price increased to Rs. 440/- and sensex was 4164.1 i.e in 35 trading days, price increased 482.40% and sensex *decreased* by 3.551%. Thereafter, on 30/10/2000, price decreased to Rs. 220/- and the sensex was 3689.43, thus in 23 trading days, price fell by 50% and sensex fell by only 11.40%. On 22/11/2000, the price was Rs. 347.5 and sensex was 3682.39, thus in 17 trading days, the price of Shonkh increased by 57.95% while the sensex fell by 0.19%.

9.2 I find that share price of Shonkh exhibited unusual movement with respect to shares of similar companies as well as with respect to the CNX -IT Index. A comparison of the market price of Shonkh with that of other companies such as Satyam, Silverline, Polaris, Pentamedia shows that the price of Shonkh rose very sharply as compared to these scrips during the period August 2000 to beginning of October 2000. Also during the same period, the CNX - IT Index remained relatively less volatile increasing from 35000 to 45000 at the end of August 2000 and falling back to 35000 levels to beginning of October 2000.

9.3 The findings of investigation shows that:-

(i) ***January 19,2001***

On this date, Luminant Investments Pvt. Ltd.(LIPL), *a Ketan Parikh entity* sold a total of 705000 shares of which 617550 were bought by Panther Fincap (PFMS) a Ketan Parikh entity and 87550 were bought by Coral Reef (Sub account of FII - R.P.& C International). There was matching of the trades as is evident from the almost simultaneous time of placing the buy and sell order. It is observed from the above that there is synchronisation of logging in of buy and sell order as is apparent from the almost same timing of placing of the buying and selling orders.

The sale order no 49700500010018682 for 2,05,000 shares of CSFB for Luminant put at 10.52.51 hrs for Rs. 244 was matched with buy order no 24800300010002848 put at 10.52.51 (same time) for 105000 shares at Rs. 244/- for PFMS and buy order no 46001200010001774 put at 10.52.53 for 100000 shares at Rs. 244/- of Milan Mahendra for PFMS.

Thereafter the sale order no 49700500010018683 for 1,00,000 shares of Luminant put at 10.53.04 hrs for Rs. 244/- was matched with buy order no 8500400010003732 put at 10.53.03 (in a gap of 1 second) for 100000 shares at Rs. 244/- of C J Dalal for PFMS.

Then, the sale order no 49700500010018806 of CSFB for Luminant for 87450 shares put at 14.15.45 hrs for Rs. 242/- was matched with buy order no 9600200010001273 of Indsec for sub account Coral Reef put at 14.15.45 (same time) for 87450 shares at Rs. 242/-. This was matched for 86650 shares.

Subsequently, the sale order no 49700500010018807 of CSFB for Luminant for 312550 shares put at 14.16.41 hrs for Rs. 242/- was matched with buy order no 9600200010001274 of Indsec for PFMS put at 14.16.43 (in a gap of 2 seconds) for 312550 shares at Rs. 242/-. The matching / trade was to the extent of 311550 shares. The aforesaid transactions are as tabulated below

Trade details

Trade Date	Qty	Price	Sell member Name	Buy Member Name	Sell Client	Buy Client	Sell Order No	Buy Order No	Sell Order Time	Buy Order Time	Sell Order Qty	Buy Order Qty	Sell Order Rate	Buy Order Rate
19-Jan-01	105000	244	CSFB	Hem	LIPL	PFMS	49700500010018682	24800300010002848	10:52:51	10:52:51	205000	105000	244	244
19-Jan-01	100000	244	CSFB	MM	LIPL	PFMS	49700500010018682	46001200010001774	10:52:51	10:52:53	205000	100000	244	244
19-Jan-01	100000	244	CSFB	CJ Dalal	LIPL	PFMS	49700500010018683	8500400010003732	10:53:04	10:53:03	100000	100000	244	244
19-Jan-01	86650	242	CSFB	Indsec Securities & Finance Ltd	LIPL	RP & C Intl A/C Coral Reef Invst CO	49700500010018806	9600200010001273	14:15:45	14:15:45	87450	87450	242	242
19-Jan-01	311550	242	CSFB	Indsec	LIPL	PFMS	49700500010018807	9600200010001274	14:16:41	14:16:43	312550	312550	242	242
19-Jan-01	1000	242	CSFB	Indsec	LIPL	PFMS	49700500010018807	9600200010001274	14:16:41	14:16:43	312550	312550	242	242

The transactions were circular in nature and the trades done by Ketan Parekh entities i.e., Luminant (LIPL) and Panther Fincap on this date comprised a substantive portion of the total volume on that day. It was seen that of the total volume of 837950 shares traded on this day at the exchange, sale by Ketan Parekh entity was 705000 shares which comprised 84.2**%.**

(ii) ***January 22, 2001***

On this date, Luminant sold a total of 6,25,000 shares through CSFB of which 60000 were bought by CCL and 5,65,000 by PFMS. There was matching of the trades for Luminant selling and PFMS & CCL buying as is evident from the almost simultaneous time of placing the buy and sell order. It is observed from the above that there is synchronisation of logging in of buy and sell order as is apparent from the almost same timing of placing of the buying and selling orders.

The sale order no 49700500010018847 of CSFB for Luminant for 1,00,000 shares put at 11.10.56 hrs at the rate of Rs. 242 was matched with buy order no 8500400010003747 put at 11.11.07 (in a gap of 49 seconds of sell order) for 100000 shares at the rate of Rs. 242/- of C J Dalal for PFMS.

Thereafter the sale order no 49700500010018848 of CSFB for 3,25,000 shares for Luminant put at 11.11.43 hrs at the rate of Rs. 242 was matched with 4 buy orders namely buy order no 40504600000001846 of Latin Manharlal for PFMS put at 11.11.42 (after a gap of 1 second of sell order) for 100000 shares at the rate of Rs.242, matched with buy order no 55800100010004987 of Pravin Shah for PFMS for 100000 shares put at 11.11.47 (after a gap of 4 seconds of sell order) at the rate of Rs.242/-, matched with buy order no 24800300010002907 of Hem for 250000 shares for PFMS & CCL put at 11.11.48 (within a gap of 1 second of sell order) at the rate of 242/- and finally matched with buy order no 24800300010002908 of Hem for PFMS put at 11.12.04 (after a gap of 21 seconds of sell order) for 5000 shares at the rate of Rs. 242/-. Then, the sale order no 49700500010018849 of CSFB for Luminant for 2,00,000 shares put at 11.13.11 hrs at the rate of Rs. 241 was matched with 2 buy orders, namely buy order no 46001200010001780 of Milan Mahendra for PFMS put at 11.13.09 (2 seconds prior to sell order) for 100000 shares at the rate of Rs. 241/-. and buy order no 25001500010000324 of Vyomit for

PFMS for 1,00,000 shares put at 11.13.10 hrs (after a gap of 1 second of sell order) at the rate of Rs.241/-. The aforesaid transactions are as tabulated below

Trade details

Qty	Price	Buy Member Name	Sell Client	Buy Client	Sell Order No	Buy Order No	Sell Order Time	Buy Order Time	Sell Order Qty	Buy Order Qty	Sell Order Rate	Buy Order Rate
100000	242	CJD	LIPL	PFMS	49700500010018847	8500400010003747	11:10:56	11:11:07	100000	100000	242	242
95000	242	LM	LIPL	PFMS	49700500010018848	40504600000001846	11:11:43	11:11:42	325000	100000	242	242
100000	242	PVSHAH	LIPL	PFMS	49700500010018848	55800100010004987	11:11:43	11:11:47	325000	100000	242	242
65000	242	HEM	LIPL	PFMS	49700500010018848	24800300010002907	11:11:43	11:11:48	325000	125000	242	242
60000	242	HEM	LIPL	CCL	49700500010018848	24800300010002907	11:11:43	11:11:48	325000	125000	242	242
5000	242	HEM	LIPL	PFMS	49700500010018848	24800300010002908	11:11:43	11:12:04	325000	5000	242	242
100000	241	MM	LIPL	PFMS	49700500010018849	46001200010001780	11:13:11	11:13:09	200000	100000	241	241
100000	241	Vyomit	LIPL	PFMS	49700500010018849	25001500010000324	11:13:11	11:13:10	200000	100000	241	241

From the above it is clear that artificial volumes and false market was created on account of circular trades. The trades done by Ketan Parekh entities on this date comprise a substantive portion of the total volume on that day viz. of the total volume of 824850 shares traded on this day, trade by Ketan Parekh entity was 625000 shares which comprised 75.8% of the total trade on this date.

(iii) ***February 1, 2001***

On this date, Luminant sold a total of 5,00,000 shares through CSFB. Of these shares 3,00,000 shares were bought by PFMS and 2,00,000 by CCL There was also entire - 100% matching of the trades - both for Luminant selling and PFMS & CCL buying as is evident from the almost simultaneous time of placing the buy and sell order. It has also been observed that there is synchronisation of logging in of buy and sell orders as is apparent from the almost same timing of placing of the buying and selling orders.

The sale order no 49700500010019735 of CSFB for Luminant for 1,50,000 shares put at 13.54.28 hrs at the rate of Rs. 237/- per share was matched with buy order no 8500400010003872 of the member for PFMS for 150000 shares put at 13.54.28 hrs (at the same time) at the rate of Rs. 237/- per share. Thereafter the sale order no. 49700500010019736 of CSFB for Luminant for 2,00,000 shares put at 13.54.47 hrs at the rate of Rs. 237/- per share was matched with buy order no 37200300010004693 of Triumph for CCL for 200000 shares put at 13.54.46 hrs (1 second prior to sale order) at the rate of Rs. 237/- per share. Finally, the sale order no 49700500010019737 of CSFB for Luminant for 1,50,000 shares put at 13.55.23 hrs at the rate of Rs. 237/- per share was matched with buy order no 25001500010000367 of Vyomit for PFMS for 1,50,000 shares put at 13.55.51 hrs (after a gap of 38 seconds of sell order) at the rate of Rs. 237/- per share. The aforesaid transactions are as tabulated below

Trade details

Trade Date	Qty	Price	Buy Member Name	Sell Client	Buy Client	Sell Order No	Buy Order No	Sell Order Time	Buy Order Time	Sell Order Qty	Buy Order Qty	Sell Order Rate	Buy Order Rate
01-Feb-01	150000	237	CJD	LIPL	PFMS	49700500010019735	8500400010003872	13:54:28	13:54:28	150000	150000	237	237
01-Feb-01	200000	237	TSL	LIPL	CCL	49700500010019736	37200300010004693	13:54:47	13:54:46	200000	200000	237	237
01-Feb-01	150000	237	Vyomit	LIPL	PFMS	49700500010019737	25001500010000367	13:55:23	13:55:31	150000	150000	237	237

Thus artificial volumes and false market was created on account of circular trades. The trades done by Ketan Parekh entities ie., Luminant, Panther Fincap and Classic Credit on this date comprise a substantive portion of the total volume on that day viz. of the total volume of 1167950 shares traded on this day, trade by Ketan Parekh entity was 500000 shares which comprised 42.81% of the trade on this date.

(iv) ***March 2,2001***

On this date, Panther sold a total of 10,00,000 shares as well as bought 10,00,000 shares. There was also matching of the trades to the extent of 100% for PFMS selling and 98.6% for PFMS buying. Total sell orders were 10,00,000 for PFMS selling and total buy orders were 10,15,000 for PFMS buying. Synchronisation of trades is evident from the almost simultaneous time of placing the buy and sell order. It has also been observed that there is synchronisation of logging in of buy and sell orders as is apparent from the almost same timing of placing of the buying and selling orders.

The sale order no 49700500010022964 of CSFB for PFMS for 500000 shares put at 10.49.28 hrs at the rate of Rs. 279/- per share was matched with 2 buy orders i.e. buy order no. 8500400010004206 of the member for PFMS for 15000 shares put at 10.50.33 hrs (after a gap of 34 seconds of sell order) at the rate of Rs.279/-per share and buy order no. 55800100010005658 of Pravin Shah for PFMS for 500000 shares put at 10.51.08 hrs (after a gap of one minute and 40 seconds of sell order) at the rate of Rs.279/-per share .

Thereafter, another sale order no 49700500010022965 of CSFB for PFMS for 500000 shares put at 10.50.57 hrs at the rate of Rs. 278/- per share was matched with buy order no. 55800100010005657 of Pravin Shah for PFMS for 500000 shares put at 10.50.06 hrs at Rs.278/-. The aforesaid transactions are as tabulated below:-

Trade Details

Trade Date	Qty	Price	Buy Member Name	Sell Client	Buy Client	Sell Order No	Buy Order No	Sell Order Time	Buy Order Time	Sell Order Qty	Buy Order Qty	Sell Order Rate	Buy Order Rate
02-Mar-01	14950	279	CJD	PFMS	PFMS	49700500010022964	850040001000420 6	10:49:28	10:50:33	500000	15000	279	279
02-Mar-01	485050	279	PVSHAH	PFMS	PFMS	49700500010022964	55800100010005658	10:49:28	10:51:08	500000	500000	279	279
02-Mar-01	500000	278	PVSHAH	PFMS	PFMS	49700500010022965	55800100010005657	10:50:57	10:50:06	500000	500000	278	278

It is also pertinent to note here that Ketan Parekh entity - PFMS is buyer as well as the seller. The same shares are churned / recycled by PFMS through the stock exchange mechanism. PFMS is selling large volume of shares through CSFB and buying through the member & Pravin Shah. There is no change in ownership of the shares and false market is created.

Thus artificial volumes and false market was created on account of circular trades. The trades done by Ketan Parekh entities on this date comprise a substantive portion of the total volume on that day viz. of the total volume of 21,55,700 shares traded on this day, trade by Ketan Parekh entity was 1000000 shares which comprised 46.4% of the trade on this date.

I find from the trading in the scrip of Shonkh as shown above for the period 19.1.2001 – 2.3.2001 it is clear that the buying and selling orders were synchronised and these orders were placed almost at the same time or within a gap of a few seconds of placing of the buy /sell order. This synchronization is not possible unless the orders are put in the system at the same time without prior understanding. The same is not possible without active participation of brokers who put the orders simultaneously to match. Synchronisation of such large number of trades cannot be coincident but as a result of deliberate action and prior understanding. This synchronisation hampered efficient price discovery and had a negative effect on the transparency which is sought to be provided by the computerised trading system set up at the exchanges. This is in violation of SEBI circular dated 19.9.99. These transactions were in the nature of circular trading where the buyer and seller were Ketan Parekh entities. There was no change in beneficial ownership and stock was moving from one entity of Ketan Parekh group to other entity of Ketan Parekh group with assistance of brokers including the member which is in violation of regulation 4(d) of F.U.T.P. Regulation. These fictitious and non genuine transactions, which were circular in nature, amounted to market manipulation which is in violation of regulation 4 (c) of F.U.T.P Regulation. The artificial benchmarking of the prices induced others to buy and/or sell shares of Shonkh. This creation of artificial volumes and benchmarking of prices abetted and aided Ketan Parekh entities in market manipulation in the shares of the company. I therefore hold the member guilty accordingly.

11. I have considered the findings of the Enquiry Officer in respect of dealing in shares of Aftek by the member.

10.1 I find that the price of the scrip of Aftek Infotech rose from Rs.628.00 on 1.1.2001, touched high at Rs.881.40 on 22.1.2001 and closed on 635.05 on 2.2.2001.

10.2 The member also dealt in major quantities in the scrip of Aftek for Ketan Parekh entity – Panther Fincap and Management Services Ltd. Transactions of the member for Panther Fincap and Management Services Ltd. are as given below :-

(1) On January 17,2001

CJD acting on behalf of client Panther Fincap and Management Services Ltd influenced the closing price on 17/1/01 as follows. On 17/1/01, the broker – CJD put buy order no. 8500400000002957 for 5000 shares @ Rs. 583.7 at 15.29.50 hrs on behalf of client Panther Fincap and Management Services Ltd. The previous buy orders were at lower prices as seen below.

a) Order no : 8500400000002957

Corresponding & Previous Orders

Clg.No.		B/S	Price	Qty	Rev. Qty.	Date	Time	Erro Code	Order No.	Cl. Code
672	7	S	575	5	5	17/01/2001	15:29:32	0	67200700000026148	14156
663	2	B	590	10	10	17/01/2001	15:29:38	262	66300200000025803	K076
85	4	B	600	5000	5000	17/01/2001	15:29:39	262	8500400000002956	ZA998
405	46	B	600	2000	200	17/01/2001	15:29:42	262	40504600000002162	P009
446	12	S	0	100	15	17/01/2001	15:29:46	0	44601200000011602	
663	2	B	580	10	10	17/01/2001	15:29:46	0	66300200000025804	K076
672	7	B	555	5	5	17/01/2001	15:29:48	0	67200700000026149	14156
85	4	B	583.7	5000	5000	17/01/2001	15:29:50	0	8500400000002957	ZA998

The closing price was influenced through several trades which occurred as a result of this order. The execution of this order /trade log is as given below :-

Trans. No.	Order No.	Mem. Clg.No.	Counter Party	Qty.	Price	B/S	Date	Time	Cl. Code
420	8500400000002957	D0085	D0248	5	578.8	B	17/01/2001	3:29:51 PM	ZA998
421	8500400000002957	D0085	D0748	5	579	B	17/01/2001	3:29:51 PM	ZA998
422	8500400000002957	D0085	D0030	200	579	B	17/01/2001	3:29:51 PM	ZA998
423	8500400000002957	D0085	D0030	200	579	B	17/01/2001	3:29:51 PM	ZA998
424	8500400000002957	D0085	D0030	200	579	B	17/01/2001	3:29:51 PM	ZA998
425	8500400000002957	D0085	D0030	200	579	B	17/01/2001	3:29:51 PM	ZA998
426	8500400000002957	D0085	D0030	200	579	B	17/01/2001	3:29:51 PM	ZA998
427	8500400000002957	D0085	D0030	200	579	B	17/01/2001	3:29:51 PM	ZA998
428	8500400000002957	D0085	D0030	200	579	B	17/01/2001	3:29:51 PM	ZA998
429	8500400000002957	D0085	D0030	200	579	B	17/01/2001	3:29:51 PM	ZA998

430	8500400000002957	D0085	D0030	200	579	B	17/01/2001	3:29:51 PM	ZA998
431	8500400000002957	D0085	D0030	200	579	B	17/01/2001	3:29:51 PM	ZA998
432	8500400000002957	D0085	D0343	100	580	B	17/01/2001	3:29:51 PM	ZA998
433	8500400000002957	D0085	D0161	5	580	B	17/01/2001	3:29:51 PM	ZA998
434	8500400000002957	D0085	D0612	10	580	B	17/01/2001	3:29:51 PM	ZA998
435	8500400000002957	D0085	D0444	10	580	B	17/01/2001	3:29:51 PM	ZA998
436	8500400000002957	D0085	D0672	5	581	B	17/01/2001	3:29:51 PM	ZA998
437	8500400000002957	D0085	D0121	25	582	B	17/01/2001	3:29:51 PM	ZA998
438	8500400000002957	D0085	D0613	10	582.8	B	17/01/2001	3:29:51 PM	ZA998
439	8500400000002957	D0085	D0613	10	582.8	B	17/01/2001	3:29:51 PM	ZA998
440	8500400000002957	D0085	D0613	10	582.8	B	17/01/2001	3:29:51 PM	ZA998
441	8500400000002957	D0085	D0613	10	582.8	B	17/01/2001	3:29:51 PM	ZA998
442	8500400000002957	D0085	D0613	10	582.8	B	17/01/2001	3:29:51 PM	ZA998
443	8500400000002957	D0085	D0613	10	582.8	B	17/01/2001	3:29:51 PM	ZA998
444	8500400000002957	D0085	D0613	10	582.8	B	17/01/2001	3:29:51 PM	ZA998
445	8500400000002957	D0085	D0613	10	582.8	B	17/01/2001	3:29:51 PM	ZA998
446	8500400000002957	D0085	D0613	10	582.8	B	17/01/2001	3:29:51 PM	ZA998
447	8500400000002957	D0085	D0613	10	582.8	B	17/01/2001	3:29:51 PM	ZA998
448	8500400000002957	D0085	D0745	5	583	B	17/01/2001	3:29:51 PM	ZA998
449	8500400000002957	D0085	D0061	10	583	B	17/01/2001	3:29:51 PM	ZA998
450	8500400000002957	D0085	D0748	20	583	B	17/01/2001	3:29:51 PM	ZA998
451	8500400000002957	D0085	D0800	10	583	B	17/01/2001	3:29:51 PM	ZA998
452	8500400000002957	D0085	D0327	10	583	B	17/01/2001	3:29:51 PM	ZA998
453	8500400000002957	D0085	D0336	100	583	B	17/01/2001	3:29:51 PM	ZA998
454	8500400000002957	D0085	D0745	5	583	B	17/01/2001	3:29:51 PM	ZA998
455	8500400000002957	D0085	D0724	500	583.7	B	17/01/2001	3:29:51 PM	ZA998
456	8500400000002957	D0085	D0495	5	583.7	B	17/01/2001	3:29:51 PM	ZA998
457	8500400000002957	D0085	D0495	5	583.7	B	17/01/2001	3:29:51 PM	ZA998
458	8500400000002957	D0085	D0780	10	583.7	B	17/01/2001	3:29:51 PM	ZA998
459	8500400000002957	D0085	D0747	200	583.7	B	17/01/2001	3:29:51 PM	ZA998
460	8500400000002957	D0085	D0724	100	583.7	B	17/01/2001	3:29:51 PM	ZA998
461	8500400000002957	D0085	D0390	5	583.7	B	17/01/2001	3:29:51 PM	ZA998
462	8500400000002957	D0085	D0372	100	583.7	B	17/01/2001	3:29:51 PM	ZA998
463	8500400000002957	D0085	D0745	10	583.7	B	17/01/2001	3:29:53 PM	ZA998
464	8500400000002957	D0085	D0796	100	583.7	B	17/01/2001	3:29:58 PM	ZA998
	TOTAL			**3460**					

As is seen from the above, the total trade against this order was for 3460 shares. The total traded volume for the market on this date was 8372 shares. Thus this trade comprised 42% of the total traded volume. This trade also took the price to the day's closing price of Rs. 583.7. Trades started taking place from Rs. 578.8 against this single order of broker. The previous trade prior to this order took place at Rs. 578.8.

b) Order no. 8500400000002955

The relevant extract of Trade Log in respect of this order 8500400000002955 put by CJD on behalf of client Panther Fincap and Management Services Ltd. is as given below. This also includes previous & successive trades. The relevant extract of the corresponding order log is given below

clg. No.	Trad id	B/S	Rate	Qty	Rev. Qty	AUD	Date	Time	Order No.	Cl.Code
405	46	B	550	2000	200	A	1/17/2001	15:29:08	40504600000002161	P009
780	18	S	529.35	0	10	U	1/17/2001	15:29:13	78001800000077193	CZ49
85	**4**	**B**	**575**	**2500**	**2500**	**A**	**1/17/2001**	**15:29:14**	**8500400000002955**	**ZA998**

It is seen from the above that buy order no 8500400000002955 was put by the member at 15.29.14 hrs on behalf of client – Panther Fincap and Management Services Ltd., for 2500 shares at Rs. 5750/-.How this order resulted in trade is as given below

Trans. No	Orders No.	Mem. Clg. No.	Count. Party	Qty	Price	B/S	Date	Time	Cl. Code
404	40504600000002161	D0405	D0585	45	550	B	1/17/2001	3:29:09 PM	P009
404	58500400000003838	D0585	D0405	45	550	S	1/17/2001	3:29:09 PM	GG
405	8500400000002955	D0085	D0664	50	551	B	1/17/2001	3:29:15 PM	ZA998
406	8500400000002955	D0085	D0258	100	554	B	1/17/2001	3:29:15 PM	ZA998
407	8500400000002955	D0085	D0780	10	564.95	B	1/17/2001	3:29:15 PM	ZA998
408	8500400000002955	D0085	D0664	50	565	B	1/17/2001	3:29:15 PM	ZA998
409	8500400000002955	D0085	D0122	50	569	B	1/17/2001	3:29:15 PM	ZA998
410	8500400000002955	D0085	D0248	10	570	B	1/17/2001	3:29:15 PM	ZA998
411	8500400000002955	D0085	D0748	25	571	B	1/17/2001	3:29:15 PM	ZA998
412	8500400000002955	D0085	D0122	5	571	B	1/17/2001	3:29:15 PM	ZA998
413	8500400000002955	D0085	D0663	10	574	B	1/17/2001	3:29:15 PM	ZA998
414	8500400000002955	D0085	D0446	5	574	B	1/17/2001	3:29:15 PM	ZA998
415	8500400000002955	D0085	D0061	10	575	B	1/17/2001	3:29:15 PM	ZA998
416	8500400000002955	D0085	D0491	50	575	B	1/17/2001	3:29:22 PM	ZA998

417	8500400000002955	D0085	D0672	5	575	B	1/17/2001	3:29:32 PM	ZA998
418	66300200000025804	D0663	D0248	5	578.4	B	1/17/2001	3:29:46 PM	K076
418	24801000000024207	D0248	D0663	5	578.4	S	1/17/2001	3:29:46 PM	K009

It is seen from the above that the price increased from levels of Rs. 550 to Rs. 575 in a short time span of one minute as a consequence of this order. The previous trade price – transaction no. 404 prior to the entering of this order was Rs. 550/-

(2) ***January 19, 2001***

The following buy orders placed by broker Chandra J. Dalal on behalf of its client Panther Fincap Management Services Ltd. have tried to influenced the price of the scrip during the day. Selling members were scattered through out the market

Order No.	Previous Traded Price (Rs.)	Successive Traded Price (Rs.)	Price Range in which orders were executed. (Rs.)	Quantity of shares traded.	Order Qty.	Order Price (Rs.)	Order Placed time
8500400000002983	695.00	748.90	704.75 to 740.00	1951	2500*	710.00#	12:35:58 p.m.
8500400000002988	749.00	740.00	749.00 to 764.00	2510	2510	764.50	12:38:04 p.m.
8500400000002994	740.00	759.85**	744.00 to 764.50	3964	5524	764.50	3:23:01 p.m.
				8425			

 # order has been updated four time at the rates of Rs.715.00, Rs.720.00, Rs.730.00,
Rs.740.00.

***** *said buy order was deleted by member subsequently for 534 shares.*

****** *successive trade was executed in post closing session.*

It is seen from the above that on this date, the aforesaid orders were placed at prices much higher than the previous traded price. The order were also modified or deleted later. For example, the order no 8500400000002983 was placed by the broker – C.J.Dalal at 12:35:58 p.m. for 2500 shares when the previous traded price was Rs. 695. A total quantity of 1951 shares were traded against this order in the price range of Rs. 704.75 to 740.00. The order has been updated four times at the rates of Rs.715.00, Rs.720.00, Rs.730.00, Rs.740.00. This order resulted in the price touching the levels of Rs. 740. The other orders placed at 12:38:04 p.m. and 3:23:01 p.m. also had a similar effect and resulted in the price touching the levels near the days high limit of Rs. 764.5/-. The orders were executed across a wide range from the low levels of the previous trading prices upto to the high levels of the range of the current order price put by this broker. It is also pertinent to note that the price fell after execution of this order as is apparent from successive trading price.

It is also pertinent to note that on this date i.e 19/1/01, the price increased by 15.29% over the previous days closing price of Rs. 659.1 and also registered sharp increases during the day itself. The opening, high, low and closing prices on this date were Rs. 695/-, Rs. 764.5, Rs. 677 and Rs. 759.85 respectively. Further, the total traded quantity as a result of these orders was 8425 shares which comprised around 22% of the total traded quantity of 37556 shares on that date. The findings in respect of other orders no. 2994 and 2988 are as given below:

<u>a) Order no 8500400000002994</u>

It has been observed that this is an instance where a single order has influenced the price through several trades. How this order resulted in trade is given below.

Trans. No.	Order No.	Mem. Clg.No.	Counter Party	Qty.	Price	B/S	Date	Time	Cl.Code
1050	8500400000002994	D0085	D0234	40	744	B	19/01/2001	3:23:01 PM	ZA998
1051	8500400000002994	D0085	D0538	10	744.95	B	19/01/2001	3:23:01 PM	ZA998
1052	8500400000002994	D0085	D0636	18	745	B	19/01/2001	3:23:01 PM	ZA998

1053	8500400000002994	D0085	D0452	70	745	B	19/01/2001	3:23:01 PM	ZA998
1054	8500400000002994	D0085	D0452	70	745	B	19/01/2001	3:23:01 PM	ZA998
1055	8500400000002994	D0085	D0452	70	745	B	19/01/2001	3:23:01 PM	ZA998
1056	8500400000002994	D0085	D0452	70	745	B	19/01/2001	3:23:01 PM	ZA998
1057	8500400000002994	D0085	D0452	70	745	B	19/01/2001	3:23:01 PM	ZA998
1058	8500400000002994	D0085	D0452	70	745	B	19/01/2001	3:23:01 PM	ZA998
1059	8500400000002994	D0085	D0452	70	745	B	19/01/2001	3:23:01 PM	ZA998
1060	8500400000002994	D0085	D0328	10	746	B	19/01/2001	3:23:01 PM	ZA998
1061	8500400000002994	D0085	D0601	100	750	B	19/01/2001	3:23:01 PM	ZA998
1062	8500400000002994	D0085	D0748	10	750	B	19/01/2001	3:23:01 PM	ZA998
1063	8500400000002994	D0085	D0727	10	750	B	19/01/2001	3:23:01 PM	ZA998
1064	8500400000002994	D0085	D0294	10	750	B	19/01/2001	3:23:01 PM	ZA998
1065	8500400000002994	D0085	D0446	10	758.5	B	19/01/2001	3:23:01 PM	ZA998
1066	8500400000002994	D0085	D0027	50	759	B	19/01/2001	3:23:01 PM	ZA998
1067	8500400000002994	D0085	D0027	10	759	B	19/01/2001	3:23:01 PM	ZA998
1068	8500400000002994	D0085	D0650	100	759.8	B	19/01/2001	3:23:01 PM	ZA998
1069	8500400000002994	D0085	D0623	5	759.9	B	19/01/2001	3:23:01 PM	ZA998
1070	8500400000002994	D0085	D0745	5	759.9	B	19/01/2001	3:23:01 PM	ZA998
1071	8500400000002994	D0085	D0623	5	760	B	19/01/2001	3:23:01 PM	ZA998
1072	8500400000002994	D0085	D0061	10	760	B	19/01/2001	3:23:01 PM	ZA998
1073	8500400000002994	D0085	D0469	10	760	B	19/01/2001	3:23:01 PM	ZA998
1074	8500400000002994	D0085	D0623	2	760	B	19/01/2001	3:23:01 PM	ZA998
1075	8500400000002994	D0085	D0372	50	760	B	19/01/2001	3:23:01 PM	ZA998
1076	8500400000002994	D0085	D0781	50	760	B	19/01/2001	3:23:01 PM	ZA998
1077	8500400000002994	D0085	D0126	25	760	B	19/01/2001	3:23:01 PM	ZA998
1078	8500400000002994	D0085	D0248	10	760	B	19/01/2001	3:23:01 PM	ZA998
1079	8500400000002994	D0085	D0315	25	760	B	19/01/2001	3:23:01 PM	ZA998
1080	8500400000002994	D0085	D0623	5	760	B	19/01/2001	3:23:01 PM	ZA998
1081	8500400000002994	D0085	D0372	100	761	B	19/01/2001	3:23:01 PM	ZA998
1082	8500400000002994	D0085	D0646	100	762	B	19/01/2001	3:23:01 PM	ZA998
1083	8500400000002994	D0085	D0446	5	762	B	19/01/2001	3:23:01 PM	ZA998
1084	8500400000002994	D0085	D0471	1	762	B	19/01/2001	3:23:01 PM	ZA998
1085	8500400000002994	D0085	D0321	5	762	B	19/01/2001	3:23:01 PM	ZA998
1086	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998
1087	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998
1088	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998
1089	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998
1090	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998
1091	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998
1092	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998
1093	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998
1094	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998
1095	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998
1096	8500400000002994	D0085	D0446	25	762	B	19/01/2001	3:23:01 PM	ZA998

1097	8500400000002994	D0085	D0372	5	763	B	19/01/2001	3:23:01 PM	ZA998
1098	8500400000002994	D0085	D0372	20	763	B	19/01/2001	3:23:01 PM	ZA998
1099	8500400000002994	D0085	D0372	100	763.9	B	19/01/2001	3:23:01 PM	ZA998
1100	8500400000002994	D0085	D0442	4	763.95	B	19/01/2001	3:23:01 PM	ZA998
1101	8500400000002994	D0085	D0623	5	763.95	B	19/01/2001	3:23:01 PM	ZA998
1102	8500400000002994	D0085	D0442	4	763.95	B	19/01/2001	3:23:01 PM	ZA998
1103	8500400000002994	D0085	D0442	4	763.95	B	19/01/2001	3:23:01 PM	ZA998
1104	8500400000002994	D0085	D0442	4	763.95	B	19/01/2001	3:23:01 PM	ZA998
1105	8500400000002994	D0085	D0446	100	764	B	19/01/2001	3:23:01 PM	ZA998
1106	8500400000002994	D0085	D0361	25	764	B	19/01/2001	3:23:01 PM	ZA998
1107	8500400000002994	D0085	D0122	40	764	B	19/01/2001	3:23:01 PM	ZA998
1108	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1109	8500400000002994	D0085	D0248	5	764	B	19/01/2001	3:23:01 PM	ZA998
1110	8500400000002994	D0085	D0389	25	764	B	19/01/2001	3:23:01 PM	ZA998
1111	8500400000002994	D0085	D0307	10	764	B	19/01/2001	3:23:01 PM	ZA998
1112	8500400000002994	D0085	D0780	10	764	B	19/01/2001	3:23:01 PM	ZA998
1113	8500400000002994	D0085	D0745	5	764	B	19/01/2001	3:23:01 PM	ZA998
1114	8500400000002994	D0085	D0185	10	764	B	19/01/2001	3:23:01 PM	ZA998
1115	8500400000002994	D0085	D0248	10	764	B	19/01/2001	3:23:01 PM	ZA998
1116	8500400000002994	D0085	D0027	300	764	B	19/01/2001	3:23:01 PM	ZA998
1117	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1118	8500400000002994	D0085	D0372	50	764	B	19/01/2001	3:23:01 PM	ZA998
1119	8500400000002994	D0085	D0092	15	764	B	19/01/2001	3:23:01 PM	ZA998
1120	8500400000002994	D0085	D0408	5	764	B	19/01/2001	3:23:01 PM	ZA998
1121	8500400000002994	D0085	D0747	600	764	B	19/01/2001	3:23:01 PM	ZA998
1122	8500400000002994	D0085	D0042	50	764	B	19/01/2001	3:23:01 PM	ZA998
1123	8500400000002994	D0085	D0042	29	764	B	19/01/2001	3:23:01 PM	ZA998
1124	8500400000002994	D0085	D0089	100	764	B	19/01/2001	3:23:01 PM	ZA998
1125	8500400000002994	D0085	D0058	1	764	B	19/01/2001	3:23:01 PM	ZA998
1126	8500400000002994	D0085	D0446	20	764	B	19/01/2001	3:23:01 PM	ZA998
1127	8500400000002994	D0085	D0141	20	764	B	19/01/2001	3:23:01 PM	ZA998
1128	8500400000002994	D0085	D0030	50	764	B	19/01/2001	3:23:01 PM	ZA998
1129	8500400000002994	D0085	D0495	5	764	B	19/01/2001	3:23:01 PM	ZA998
1130	8500400000002994	D0085	D0218	25	764	B	19/01/2001	3:23:01 PM	ZA998
1131	8500400000002994	D0085	D0067	20	764	B	19/01/2001	3:23:01 PM	ZA998
1132	8500400000002994	D0085	D0056	5	764	B	19/01/2001	3:23:01 PM	ZA998
1133	8500400000002994	D0085	D0608	10	764	B	19/01/2001	3:23:01 PM	ZA998
1134	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1135	8500400000002994	D0085	D0745	5	764	B	19/01/2001	3:23:01 PM	ZA998
1136	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1137	8500400000002994	D0085	D0058	1	764	B	19/01/2001	3:23:01 PM	ZA998
1138	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1139	8500400000002994	D0085	D0745	5	764	B	19/01/2001	3:23:01 PM	ZA998
1140	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998

1141	8500400000002994	D0085	D0058	1	764	B	19/01/2001	3:23:01 PM	ZA998
1142	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1143	8500400000002994	D0085	D0745	5	764	B	19/01/2001	3:23:01 PM	ZA998
1144	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1145	8500400000002994	D0085	D0058	1	764	B	19/01/2001	3:23:01 PM	ZA998
1146	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1147	8500400000002994	D0085	D0745	5	764	B	19/01/2001	3:23:01 PM	ZA998
1148	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1149	8500400000002994	D0085	D0058	1	764	B	19/01/2001	3:23:01 PM	ZA998
1150	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1151	8500400000002994	D0085	D0745	5	764	B	19/01/2001	3:23:01 PM	ZA998
1152	8500400000002994	D0085	D0058	1	764	B	19/01/2001	3:23:01 PM	ZA998
1153	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1154	8500400000002994	D0085	D0058	1	764	B	19/01/2001	3:23:01 PM	ZA998
1155	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1156	8500400000002994	D0085	D0058	1	764	B	19/01/2001	3:23:01 PM	ZA998
1157	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1158	8500400000002994	D0085	D0058	1	764	B	19/01/2001	3:23:01 PM	ZA998
1159	8500400000002994	D0085	D0390	5	764	B	19/01/2001	3:23:01 PM	ZA998
1160	8500400000002994	D0085	D0058	1	764	B	19/01/2001	3:23:01 PM	ZA998
1161	8500400000002994	D0085	D0495	5	764.5	B	19/01/2001	3:23:01 PM	ZA998
1162	8500400000002994	D0085	D0724	35	764.5	B	19/01/2001	3:23:01 PM	ZA998
1163	8500400000002994	D0085	D0495	5	764.5	B	19/01/2001	3:23:01 PM	ZA998
1164	8500400000002994	D0085	D0791	25	764.5	B	19/01/2001	3:23:01 PM	ZA998
1165	8500400000002994	D0085	D0372	5	764.5	B	19/01/2001	3:23:01 PM	ZA998
1166	8500400000002994	D0085	D0449	5	764.5	B	19/01/2001	3:23:01 PM	ZA998
1167	8500400000002994	D0085	D0170	20	764.5	B	19/01/2001	3:23:01 PM	ZA998
1168	8500400000002994	D0085	D0120	25	764.5	B	19/01/2001	3:23:01 PM	ZA998
1169	8500400000002994	D0085	D0780	13	764.5	B	19/01/2001	3:23:47 PM	ZA998
1170	8500400000002994	D0085	D0372	100	764.5	B	19/01/2001	3:24:07 PM	ZA998
1171	8500400000002994	D0085	D0748	5	764.5	B	19/01/2001	3:25:00 PM	ZA998
1172	8500400000002994	D0085	D0442	180	764.5	B	19/01/2001	3:26:13 PM	ZA998
1173	8500400000002994	D0085	D0748	100	764.5	B	19/01/2001	3:27:19 PM	ZA998
1174	8500400000002994	D0085	D0623	50	764.5	B	19/01/2001	3:28:21 PM	ZA998
1175	8500400000002994	D0085	D0623	25	764.5	B	19/01/2001	3:28:35 PM	ZA998
1176	8500400000002994	D0085	D0315	10	764.5	B	19/01/2001	3:29:54 PM	ZA998
	TOTAL			**3964**					

Corresponding & Previous Orders:

Clg .No.		B/S	Price	Qty	Rev. Qty.	Date	Time	Erro Code	Order No.	Cl. Code
747	68	B	740	0	550	19/01/2001	15:22:40	0	74706800000002780	6705
632	11	S	738	20	20	19/01/2001	15:22:53	0	63201100000037437	PRVN

85	**4**	**B**	**764.5**	**5524**	**5524**	**19/01/2001**	**15:23:01**	**261**	**8500400000002994**	**ZA998**

It is seen from the above that the price increased from levels of Rs. 740 to Rs. 760 in a short time span of one minute as a consequence of this order. The previous trade price was in the range of Rs. 740/-

b) Order no 8500400000002988

The relevant extract of Trade Log in respect of this order 8500400000002988 put by CJD on behalf of client Panther Fincap and Management Services Ltd. is as given below. This is a case of single order resulting in multiple trades and influencing the price significantly. This also includes previous & successive trades: The relevant extract of the corresponding order log is given below

Clg .No.		B/S	Price	Qty	Rev. Qty.	Date	Time	Order No.	Cl. Code
572	3	S	740	20	20	1/19/2001	12:37:47	57200300000029941	I001
372	20	B	750	0	200	1/19/2001	12:37:52	37202000000001281	GN
685	15	B	0	10	10	1/19/2001	12:38:02	68501500000002320	
85	**4**	**B**	**764.5**	**2510**	**2510**	**1/19/2001**	**12:38:04**	**8500400000002988**	**ZA998**

It is seen from the above that buy order no 8500400000002988 was put by broker CJD at 12.38.04 hrs on behalf of client – Panther Fincap and Management Services Ltd., for 2510 shares at Rs. 764.5.How this order resulted in trade is as given below:

Trade Execution

Trans. No.	Order No.	Mem. Clg.No.	Counter Party	Qty.	Price	B/S	Date	Time	Cl.Code
85	37202000000001281	D0372	D0747	165	749	B	1/19/2001	12:37:53 PM	GN
	74706800000002771	D0747	D0372	165	749	S	1/19/2001	12:37:53 PM	6705
	8500400000002988	D0085	D0747	335	749	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0273	15	749	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0273	15	749	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0273	15	749	B	1/19/2001	12:38:04 PM	ZA998

	8500400000002988	D0085	D0273	15	749	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0273	15	749	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0273	15	749	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0273	15	749	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0273	15	749	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0273	15	749	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0248	100	749.5	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0623	50	750	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0748	50	750	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0747	25	750	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0685	10	750	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0496	100	750.1	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0511	5	751	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0372	75	754	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0723	5	754.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0623	62	755	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0081	5	759	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0061	5	759	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0623	50	759.5	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0089	10	760	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0518	10	760	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0089	60	760	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0748	5	760	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0685	10	760	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0396	10	760	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0745	5	760	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0784	440	760	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0800	50	760	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0048	10	760	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0792	10	762	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0136	50	763	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0089	1	763	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0771	20	763.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0771	20	763.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0771	20	763.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0771	20	763.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0771	20	763.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0771	20	763.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0771	20	763.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0771	20	763.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0771	20	763.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0771	20	763.9	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0779	50	763.95	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0779	50	763.95	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0779	50	763.95	B	1/19/2001	12:38:04 PM	ZA998

	8500400000002988	D0085	D0779	50	763.95	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0779	50	763.95	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0779	50	763.95	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0779	50	763.95	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0779	50	763.95	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0779	50	763.95	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0779	50	763.95	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0613	10	764	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0407	10	764	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0030	10	764	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0748	20	764	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0315	50	764	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0446	10	764	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0056	5	764	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002988	D0085	D0321	12	764	B	1/19/2001	12:38:04 PM	ZA998
	8500400000002983	D0085	D0185	5	740	B	1/19/2001	12:38:05 PM	ZA998
	18501900000008847	D0185	D0085	5	740	S	1/19/2001	12:38:05 PM	N011

It is seen from the above that the price increased from Rs.749/- to Rs.764/- by the time of completion of order execution.

(3) ***January 15, 2001***

The relevant extract of Trade Log in respect of this order 8500400000002914 put by CJD on behalf of client Panther Fincap and Management Services Ltd. is as given below. This is a case of single order resulting in multiple trades and influencing the price significantly This also includes previous & successive trades: The relevant extract of the corresponding order log for these orders is as under:

a) Order no. 8500400000002914

clg. No.	Tradid	B/S	Rate	Qty	Rev.Qty	AUD	Date	Time	Err. Code	Order No.	Cl.Code
780	18	S	435	5	5	A	1/15/2001	14:51:38	0	78001800000076086	CZ49
470	66	B	440	100	100	A	1/15/2001	14:51:43	0	47006600000021096	AS
491	25	B	435	100	100	A	1/15/2001	14:51:50	0	49102500000017084	11P
85	4	B	440	400	400	A	1/15/2001	14:51:51	0	8500400000002912	ZA998
491	25	B	0	100	100	D	1/15/2001	14:51:52	0	49102500000017084	

85	4	B	440	400	400	A	1/15/2001	14:52:00	0	8500400000002913	ZA998
27	6	B	440	20	20	A	1/15/2001	14:52:01	0	2700600000033186	133027
780	18	B	424.05	5	5	A	1/15/2001	14:52:01	0	78001800000076087	CZ49
470	66	B	425	100	100	A	1/15/2001	14:52:05	0	47006600000021097	AS
27	6	B	440	20	20	A	1/15/2001	14:52:10	0	2700600000033187	133027
85	**4**	**B**	**440**	**400**	**400**	**A**	**1/15/2001**	**14:52:10**	**0**	**8500400000002914**	**ZA998**

It is seen from the above that buy order no 8500400000002914 was put by broker CJD at 14.52.10 hrs on behalf of client – Panther Fincap and Management Services Ltd., for 400 shares at Rs. 440/-.How this order resulted in trade is as given below:

Clg. No.	Trans. No	Orders No.	Mem. Clg. No.	Count. Party	Qty	Price	B/ S	Date	Time	Cl. Code
85	471	2700600000033186	D0027	D0661	20	440	B	1/15/2001	2:52:01 PM	133027
	471	66100100000010861	D0661	D0027	20	440	S	1/15/2001	2:52:01 PM	L015
	475	8500400000002914	D0085	D0661	37	440	B	1/15/2001	2:52:10 PM	ZA998
	476	8500400000002914	D0085	D0661	154	440	B	1/15/2001	2:52:10 PM	ZA998
	499	8500400000002914	D0085	D0748	2	465	B	1/15/2001	2:52:54 PM	ZA998
	500	8500400000002914	D0085	D0291	5	469	B	1/15/2001	2:52:54 PM	ZA998
	501	8500400000002914	D0085	D0291	5	469	B	1/15/2001	2:52:54 PM	ZA998
	502	8500400000002914	D0085	D0291	5	469	B	1/15/2001	2:52:54 PM	ZA998
	503	8500400000002914	D0085	D0291	5	469	B	1/15/2001	2:52:54 PM	ZA998
	504	8500400000002914	D0085	D0291	5	469	B	1/15/2001	2:52:54 PM	ZA998
	505	8500400000002914	D0085	D0291	5	469	B	1/15/2001	2:52:54 PM	ZA998
	506	8500400000002914	D0085	D0291	5	469	B	1/15/2001	2:52:54 PM	ZA998
	507	8500400000002914	D0085	D0291	5	469	B	1/15/2001	2:52:54 PM	ZA998
	508	8500400000002914	D0085	D0291	5	469	B	1/15/2001	2:52:54 PM	ZA998

	509	8500400000002914	D0085	D0291	5	469	B	1/15/2001	2:52:54 PM	ZA998
	510	8500400000002914	D0085	D0022	10	470	B	1/15/2001	2:52:54 PM	ZA998
	511	8500400000002914	D0085	D0202	100	470	B	1/15/2001	2:53:05 PM	ZA998
	512	8500400000002914	D0085	D0202	47	470	B	1/15/2001	2:53:05 PM	ZA998
	513	8500400000002918	D0085	D0202	53	470	B	1/15/2001	2:53:17 PM	ZA998
	513	20200600000008671	D0202	D0085	53	470	S	1/15/2001	2:53:17 PM	BJ

It is seen from the above that the price increased from levels of Rs. 440 to Rs. 470 in a short time span of one minute as a consequence of this order. The previous trade price prior to the entering of this order was Rs. 440/-

b) Order no. 8500400000002916

The relevant extract of Trade Log in respect of this order 8500400000002916 put by CJD on behalf of client Panther Fincap and Management Services Ltd. is as given below. This also includes previous & successive trades. The relevant extract of the corresponding order log is given below

clg. No.	Tradid	B/S	Rate	Qty	Rev. Qty	AUD	Date	Time	Err. Code	Order No.	Cl.Code
780	18	S	435	5	5	A	1/15/2001	14:51:38	0	78001800000076086	CZ49
470	66	B	440	100	100	A	1/15/2001	14:51:43	0	47006600000021096	AS
491	25	B	435	100	100	A	1/15/2001	14:51:50	0	49102500000017084	11P
85	4	B	440	400	400	A	1/15/2001	14:51:51	0	8500400000002912	ZA998
491	25	B	0	100	100	D	1/15/2001	14:51:52	0	49102500000017084	
85	4	B	440	400	400	A	1/15/2001	14:52:00	0	8500400000002913	ZA998
27	6	B	440	20	20	A	1/15/2001	14:52:01	0	2700600000033186	133027
780	18	B	424.05	5	5	A	1/15/2001	14:52:01	0	78001800000076087	CZ49
470	66	B	425	100	100	A	1/15/2001	14:52:05	0	47006600000021097	AS
27	6	B	440	20	20	A	1/15/2001	14:52:10	0	2700600000033187	133027
85	4	B	440	400	400	A	1/15/2001	14:52:10	0	8500400000002914	ZA998
491	25	B	440	0	10	U	1/15/2001	14:52:10	0	49102500000017083	11P

780	18	B	440	134	134	A	1/15/2001	14:52:10	0	78001800000076088	CZ49
85	4	B	440	400	400	A	1/15/2001	14:52:14	0	8500400000002915	ZA998
491	25	B	0	100	10	D	1/15/2001	14:52:16	0	49102500000017083	
85	**4**	**B**	**460**	**200**	**200**	**A**	**1/15/2001**	**14:52:20**	**0**	**8500400000002916**	**ZA998**

It is seen from the above buy order no 8500400000002916 was put by the member at 14.52.20 hrs on behalf of client – Panther Fincap and Management Services Ltd., for 200 shares at Rs. 460/-.How this order resulted in trade is as given below :

Clg. No.	Trans. No	Orders No.	Mem. Clg. No.	Count. Party	Qty	Price	B/ S	Date	Time	Cl. Code
85	476	8500400000002914	D0085	D0661	154	440	B	1/15/2001	2:52:10 PM	ZA998
	476	66100100000010861	D0661	D0085	154	440	S	1/15/2001	2:52:10 PM	L015
	477	8500400000002916	D0085	D0442	10	444.95	B	1/15/2001	2:52:20 PM	ZA998
	478	8500400000002916	D0085	D0442	10	444.95	B	1/15/2001	2:52:20 PM	ZA998
	479	8500400000002916	D0085	D0442	10	444.95	B	1/15/2001	2:52:20 PM	ZA998
	480	8500400000002916	D0085	D0442	10	444.95	B	1/15/2001	2:52:20 PM	ZA998
	481	8500400000002916	D0085	D0442	10	444.95	B	1/15/2001	2:52:20 PM	ZA998
	482	8500400000002916	D0085	D0442	10	444.95	B	1/15/2001	2:52:20 PM	ZA998
	483	8500400000002916	D0085	D0442	10	444.95	B	1/15/2001	2:52:20 PM	ZA998
	484	8500400000002916	D0085	D0442	10	444.95	B	1/15/2001	2:52:20 PM	ZA998
	485	8500400000002916	D0085	D0442	10	444.95	B	1/15/2001	2:52:20 PM	ZA998
	486	8500400000002916	D0085	D0442	10	444.95	B	1/15/2001	2:52:20 PM	ZA998
	487	8500400000002916	D0085	D0267	10	449	B	1/15/2001	2:52:20 PM	ZA998
	488	8500400000002916	D0085	D0022	10	450	B	1/15/2001	2:52:20 PM	ZA998
	489	8500400000002916	D0085	D0022	5	450	B	1/15/2001	2:52:20 PM	ZA998
	490	8500400000002916	D0085	D0125	15	450	B	1/15/2001	2:52:20 PM	ZA998
	491	8500400000002916	D0085	D0585	10	450	B	1/15/2001	2:52:20 PM	ZA998
	492	8500400000002916	D0085	D0599	10	460	B	1/15/2001	2:52:20 PM	ZA998
	493	8500400000002916	D0085	D0599	40	460	B	1/15/2001	2:52:20 PM	ZA998

It is seen from the above that the price increased from levels of Rs. 440 to Rs. 460 in a short time span of one minute as a consequence of this order. The previous trade price – transaction no. 476 prior to the entering of this order was Rs. 440/-

c) Order no. 8500400000002918

The relevant extract of Trade Log in respect of this order 8500400000002918 put by CJD on behalf of client Panther Fincap and Management Services Ltd. is as given below. This also includes previous & successive trades. The relevant extract of the corresponding order log is given below:-

clg. No.	Trad id	B/S	Rate	Qty	Rev. Qty	AUD	Date	Time	Order No.	Cl.Code
780	18	S	435	5	5	A	1/15/2001	14:51:38	78001800000076086	CZ49
470	66	B	440	100	100	A	1/15/2001	14:51:43	47006600000021096	AS
491	25	B	435	100	100	A	1/15/2001	14:51:50	49102500000017084	11P
85	4	B	440	400	400	A	1/15/2001	14:51:51	8500400000002912	ZA998
491	25	B	0	100	100	D	1/15/2001	14:51:52	49102500000017084	
85	4	B	440	400	400	A	1/15/2001	14:52:00	8500400000002913	ZA998
27	6	B	440	20	20	A	1/15/2001	14:52:01	2700600000033186	133027
780	18	B	424.05	5	5	A	1/15/2001	14:52:01	78001800000076087	CZ49
470	66	B	425	100	100	A	1/15/2001	14:52:05	47006600000021097	AS
27	6	B	440	20	20	A	1/15/2001	14:52:10	2700600000033187	133027
85	4	B	440	400	400	A	1/15/2001	14:52:10	8500400000002914	ZA998
491	25	B	440	0	10	U	1/15/2001	14:52:10	49102500000017083	11P
780	18	B	440	134	134	A	1/15/2001	14:52:10	78001800000076088	CZ49
85	4	B	440	400	400	A	1/15/2001	14:52:14	8500400000002915	ZA998
491	25	B	0	100	10	D	1/15/2001	14:52:16	49102500000017083	
85	4	B	460	200	200	A	1/15/2001	14:52:20	8500400000002916	ZA998
780	18	B	450	100	100	A	1/15/2001	14:52:23	78001800000076089	CZ49
27	6	B	445	20	20	A	1/15/2001	14:52:25	2700600000033188	133027
85	4	B	0	400	400	D	1/15/2001	14:52:30	8500400000002915	
85	**4**	**B**	**460**	**200**	**200**	**A**	**1/15/2001**	**14:52:35**	**8500400000002918**	**ZA998**

It is seen from the above that buy order no 8500400000002918 was put by the member at 14.52.35 hrs on behalf of client – Panther Fincap and Management Services Ltd., for 200 shares at Rs. 460/-.How this order resulted in trade is as given below :

Clg. No.	Trans. No	Orders No.	Mem. Clg. No.	Count. Party	Qty	Price	B/ S	Date	Time	Cl. Code
85	493	8500400000002916	D0085	D0599	40	460	B	1/15/2001	2:52:20 PM	ZA998
	493	59900700000013978	D0599	D0085	40	460	S	1/15/2001	2:52:20	9047

									PM	
	494	8500400000002918	D0085	D0599	10	460	B	1/15/2001	2:52:35 PM	ZA998
	495	8500400000002918	D0085	D0599	10	460	B	1/15/2001	2:52:35 PM	ZA998
	496	8500400000002918	D0085	D0599	10	460	B	1/15/2001	2:52:35 PM	ZA998
	497	8500400000002918	D0085	D0599	10	460	B	1/15/2001	2:52:35 PM	ZA998
	498	8500400000002918	D0085	D0599	10	460	B	1/15/2001	2:52:35 PM	ZA998
	513	8500400000002918	D0085	D0202	53	470	B	1/15/2001	2:53:17 PM	ZA998
	514	8500400000002918	D0085	D0745	35	470	B	1/15/2001	2:53:17 PM	ZA998
	515	8500400000002918	D0085	D0491	62	470	B	1/15/2001	2:53:17 PM	ZA998
	516	35400400000028072	D0354	D0291	5	470	B	1/15/2001	2:53:22 PM	3003
	516	29100300000045015	D0291	D0354	5	470	S	1/15/2001	2:53:22 PM	DS

It is seen from the above that the price increased from levels of Rs. 460 to Rs. 470 in a short time span of one minute as a consequence of this order. The previous trade price – transaction no. 493 prior to the entering of this order was Rs. 460/-

d) Order No. 8500400000002924

The relevant extract of Trade Log in respect of this order 8500400000002924 put by CJD on behalf of client Panther Fincap and Management Services Ltd. is as given below. This also includes previous & successive trades. The relevant extract of the corresponding order log is given below

clg. No.	Trad id	B/S	Rate	Qty	Rev. Qty	AUD	Date	Time	Order No.	Cl.Code
745	2	B	426	5	5	A	1/15/2001	14:53:56	74500200000027114	4253
780	18	S	509.2	100	100	A	1/15/2001	14:53:56	78001800000076092	CZ49
372	7	S	469	50	50	A	1/15/2001	14:53:57	37200700000016880	SS01

599	7	S	475	150	150	A	1/15/2001	14:53:57	59900700000014018	NITIN SHAH
372	1	S	460	25	25	A	1/15/2001	14:54:02	37200100000013286	HN03
85	**4**	**B**	**470**	**300**	**300**	**A**	**1/15/2001**	**14:54:03**	**8500400000002924**	**ZA998**

It is seen from the above that buy order no 8500400000002924 was put by broker CJD at 14.54.03 hrs on behalf of client – Panther Fincap and Management Services Ltd., for 300 shares at Rs. 470/-.How this order resulted in trade is as given below :

Clg. No.	Trans. No	Orders No.	Mem. Clg. No.	Count. Party	Qty	Price	B/ S	Date	Time	Cl. Code
85	522	74801400000010297	D0748	D0372	10	460	B	1/15/2001	2:54:02 PM	P50
	522	37200100000013286	D0372	D0748	10	460	S	1/15/2001	2:54:02 PM	HN03
	523	8500400000002924	D0085	D0372	15	460	B	1/15/2001	2:54:04 PM	ZA998
	524	8500400000002924	D0085	D0372	50	469	B	1/15/2001	2:54:04 PM	ZA998
	525	8500400000002924	D0085	D0202	72	470	B	1/15/2001	2:54:04 PM	ZA998
	526	8500400000002924	D0085	D0202	100	470	B	1/15/2001	2:54:04 PM	ZA998
	527	8500400000002924	D0085	D0372	25	470	B	1/15/2001	2:54:13 PM	ZA998
	528	8500400000002924	D0085	D0491	38	470	B	1/15/2001	2:54:20 PM	ZA998
	529	77903900000010024	D0779	D0748	50	470	B	1/15/2001	2:54:37 PM	AA14
	529	77903900000010024	D0779	D0748	50	470	B	1/15/2001	2:54:37 PM	AA14

It is seen from the above that the price increased from levels of Rs. 460 to Rs. 470 in a short time span of one minute as a consequence of this order. The previous trade price – transaction no. 522 prior to the entering of this order was Rs. 460/-

<u>e) Order No. 8500400000002925</u>

The relevant extract of Trade Log in respect of this order 8500400000002925 put by CJD on behalf of client Panther Fincap and Management Services Ltd. is as given below. This also includes previous & successive trades. The relevant extract of the corresponding order log is given below

clg. No.	Trad id	B/S	Rate	Qty	Rev. Qty	AUD	Date	Time	Order No.	Cl.Code
442	2	S	470	52	52	A	1/15/2001	14:54:24	44200200000012528	K003
491	25	B	460.1	0	10	U	1/15/2001	14:54:29	49102500000017090	11P
780	18	B	436	0	50	U	1/15/2001	14:54:31	78001800000076091	CZ49
779	39	B	470	90	90	A	1/15/2001	14:54:36	77903900000010024	AA14
780	18	B	470	100	100	A	1/15/2001	14:54:37	78001800000076094	CZ49
85	**4**	**B**	**490**	**500**	**500**	**A**	**1/15/2001**	**14:54:38**	**8500400000002925**	**ZA998**

It is seen from the above that buy order no 8500400000002925 was put by the member at 14.54.38 hrs on behalf of client – Panther Fincap and Management Services Ltd., for 500 shares at Rs. 490/-.How this order resulted in trade is as given below

clg. No.	Trad id	B/S	Rate	Qty	Rev. Qty	AUD	Date	Time	Order No.	Cl.Code
85	535	49102500000017096	D0491	D0599	80	475	B	1/15/2001	2:54:39 PM	11P
	535	59900700000014018	D0599	D0491	80	475	S	1/15/2001	2:54:39 PM	NITIN SHAH
	536	8500400000002925	D0085	D0599	70	475	B	1/15/2001	2:54:39 PM	ZA998
	537	8500400000002925	D0085	D0372	50	478	B	1/15/2001	2:54:39 PM	ZA998
	538	8500400000002925	D0085	D0030	50	480	B	1/15/2001	2:54:39 PM	ZA998
	539	8500400000002925	D0085	D0405	38	480	B	1/15/2001	2:54:39 PM	ZA998
	540	8500400000002925	D0085	D0372	25	480	B	1/15/2001	2:54:39 PM	ZA998
	557	8500400000002925	D0085	D0599	95	490	B	1/15/2001	2:54:52 PM	ZA998
	580	8500400000002925	D0085	D0291	80	509.2	B	1/15/2001	2:55:35 PM	ZA998
	581	78001800000076096	D0780	D0779	90	500	B	1/15/2001	2:55:53 PM	CZ49
	581	77903900000010028	D0779	D0780	90	500	S	1/15/2001	2:55:53 PM	AA14

It is seen from the above that the price of scrip of Aftek increased from levels of Rs. 475 to Rs. 509.2 in a short time span of one minute as a consequence of this order.

The previous trade price – transaction no. 535 prior to the entering of this order was Rs. 475/-.

From the above I find that the member influenced the price of Aftek scrip on above dates on behalf of his client Panther Fincap. The member has entered series of orders connectively, each order resulting in multiple trades. These orders have influenced the intra day price. The same was not possible without the active participation of the member.

12. I have considered the findings of the Enquiry Officer in respect of dealings in the scrip of Ranbaxy.

11.1 The scrip of Ranbaxy Laboratories Ltd. (herein after referred as Ranbaxy) traded around the price range of Rs.270/- at the beginning of January 1999. The price of the scrip moved up to Rs.320/- by the end of January 1999. Subsequently, price continued to move upward during February – March 1999 and reached to Rs.650/- by end of March 1999. Further, the price of the scrip moved to Rs.700/- during May 1999 and came down to Rs.600/- during June 1999. The price subsequently moved upwards and touched Rs.800/- during July 1999 and Rs.1000/- during August 1999. The scrip was being traded in the range of Rs.900/- to Rs.1100/- during August – September 1999 and increased to Rs.1200/- during October 1999. Effectively the price of the scrip moved up from Rs.267 on 01.01.99 to a high of Rs.1215/- on 13.10.99. Later on the price started falling gradually and closed at Rs.869 on 29.10.99 at BSE. The price of the scrip of Ranbaxy had moved significantly during the period from Rs.270/-in January 1999 to about Rs.1200/- in October 1999. The price rise in the scrip was accompanied with significant increase in volumes.

11.2 I find that the member (having clearing No.85, settlement no.5/99-2000) had influenced the price of Ranbaxy scrip by Rs.5/- on 17.4.99 as under:-

17.4.1999 (Sett 5/99-00)

Member Code	Price Influence (Rs.)	Qty executed	Price Range (Rs.)	Trade time	Order No	Order time	Order Rate	Order Qty	Previous Buy order (Rs.)	Previous Sell order (Rs.)	Previous trade rate (Rs.)	Subsequent trade rate (Rs.)
85	5	1000	517 to 522	13:35:23	8500068	13:35:23	522	1000	515	517	517	515

11.3 I find that the member also on 25.7.99 (settlement no.28/99-00) had influenced the price of Ranbaxy by Rs.8/- as under:-

27.9.1999 (Sett 28/99-00)

Member Code	Price Influence (Rs.)	Qty executed	Price Range (Rs.)	Trade time	Order No	Order time	Order Rate	Order Qty	Previous Buy order (Rs.)	Previous Sell order (Rs.)	Previous trade rate (Rs.)	Subsequent trade rate (Rs.)
85	8	25000	1067 To 1075	13:51:08. to 13:51:21.	85040017	13:51:08	1075	25000	1064.30	1067	1066	1075

11.3 From the above it is clear that the member had influenced the market in the scrip of Ranbaxy Laboratories Ltd. on above dates and thus interfered with free and fair price discovery in the above scrip.

13. I find that the members submission, that If client is entering into transactions beyond his financial capacity, then only a broker can stop punching orders of the client, otherwise it is for the client to decide why he is buying large quantities, as not acceptable. The stock-broker’s responsibilities are clearly laid out in the SEBI Act and the Regulations framed thereunder. Regulation

7 of the SEBI (Stock Brokers and Sub brokers) Regulations, 1992 specifies the code of conduct to be adhered to by the stock brokers. Clauses A (1) to (5) of Schedule II read with the aforesaid regulations are pointers to that effect.

(1) Integrity: A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.

(2) Exercise of due skill and care: A stock-broker shall act with due skill, care and diligence in the conduct of all his business.

(3) Manipulation: A stock-broker shall not indulge in manipulative, fraudulent or deceptive transactions or schemes with a view to distorting market equilibrium or making personal gains.

(4) Malpractices: A stock-broker shall not create false market either singly or in concert with others or indulge in any act detrimental to the investors interest or which leads to interference with the fair and smooth functioning of the market.

(5) Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the Stock Exchange from time to time as may be applicable to him.

14. Further, the member's submission that the transactions were in accordance with the exchange mechanism is not the point that is under contention. The point that is subject to examination is the misuse of the exchange mechanism. The member in the present case had misused the exchange mechanism by facilitating manipulative transactions. The manipulative

transaction as such fulfills all the ingredients of a normal transaction i.e. it is backed by contract notes, deliveries and payments. What differs is the intent and the manner in which the transaction takes place. For instance if matching/ washed trades are taken into consideration, the transaction has all the elements of a genuine transaction. However, on closer look it becomes clear that the orders are placed at the same time i.e. within a second or a fraction of a second making such transaction matching transaction which is manipulative in nature. In the present case, the member was acting as per the diktats of his clients i.e. placing the orders at prices higher than the prevailing market and also canceling the pending orders he had placed before. This clearly indicates that the member was facilitating the manipulative transactions. Further, I also find that the transactions entered into by various members are brought into and analysed as a whole. The member's transactions are viewed seriously in light of the various transactions that are undertaken by various brokers in similar manner on behalf of Ketan Parekh and his entities. The transactions were few and the manipulation of the prices of the aforesaid scrips was high. The member recklessly facilitated his clients in creating artificial market. In this light, it can be safely said that the member is guilty of violating the broker's regulations and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995.

15. From the above findings I find that the member is guilty of price manipulation in the various scrips such as GTB, Lupin, Shonkh, Aftek and Ranbaxy. I find that the member has taken the plea in all the above cases that the orders have been executed on behalf of the clients and that delivery and payment have been made. However the pattern and manner of trading in these scrips shows that the same was possible only with the active participation of the member. The above finding further shows that the member has acted for different Ketan Parekh entities in these scrips. It is also relevant to note that the prices of some of the aforesaid scrips were

manipulated in few trades. The similar pattern of series of trading in the scrips which was commonly known in the market as scrips where Ketan Parekh was interested in further corroborates that the same was not a coincident. Further, it is also seen that these scrips belonged to different industries such as banking, pharmaceutical and software, which had attracted considerable interest at that point of time and had bearing on the index movement. The same is not possible without the active participation of the member. The finding also shows that the member has also indulged in synchronized trades. Such synchronized trades for a series of transactions and in a number of scrips is possible only if such trades are put simultaneously with prior understanding by the brokers in the system so as to match. Entering an order for same quantity for same price with similar entities to match cannot be a coincident but a deliberate act of brokers/members in collusions with Ketan Parekh entities. The act of the member has led to interfere with the fair and smooth functioning of the market in the above scrips and also in the nature of affecting price discovery mechanism and also tantamount to misuse of the system. The member has assisted in creation of artificial volumes and benchmarking of prices of the scrips.

16. The said acts of the member are in violation of the Regulation 7 read with the clause A (3) and (4) of Code of Conduct as specified in Schedule II of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, which provides that,

(3*) Manipulation : A stock-broker shall not indulge in manipulative, fraudulent or deceptive transactions or schemes with a view to distorting market equilibrium or making personal gains.*

(4) Malpractices : A stock-broker shall not create false market either singly

or in concert with others or indulge in any act detrimental to the investors interest or which leads to interference with the fair and smooth functioning of the market.

Further member through these dealings in the above scrips have aided, assisted and abetted Ketan Parekh entities such as Panther Fincap, Classic Credit Limited, Luminant Investment etc., in violation of provisions of Regulation 4 (b) (c) and (d) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995, which provides that,

No person shall -

(a) ……….

(b) indulge in any act, which is calculated to create a false or misleading appearance of trading on the securities market;

(c) indulge in any act which results in reflection of prices of securities based on transactions that are not genuine trade transactions;

(d) enter into a purchase or sale of any securities, not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress, or cause fluctuations in the market price of securities;

Thus, the member had also violated the provisions of 4 (b), (c) and (d) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 and as well as Regulation 7 read with Section A (3) and (4) of Code of Conduct as specified in Schedule II of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992.

17. The member has also violated SEBI circular dated 14.9.99 banning negotiated deals by indulging synchronized deals.

18. I have no hesitation to agree with the findings of the Enquiry Officer that Price and market manipulation shakes the confidence of investors in the fair and transparent working of stock exchanges and detrimental to the interest of securities market. Such act should be viewed seriously. I am satisfied that this is a fit case to impose major penalty suspending the registration of the member. Therefore, in exercise of the powers conferred upon me by Section 19 of SEBI Act, 1992 read with sub-regulation (4) of Regulation 13 of the said Regulations, I hereby suspend the certificate of registration of M/s Chandravadan J. Dalal for a period of two years.

19. This order shall come into force after 3 weeks from the date of the order.

Place: Mumbai
Date: 23.02.2004

A K BATRA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA