

SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: G. ANANTHARAMAN, WHOLE TIME MEMBER

ORDER

UNDER REGULATION 13(4) OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING ENQUIRY BY ENQUIRY OFFICER AND IMPOSING PENALTY) REGULATIONS, 2002 AGAINST DRESDNER KLEINWORT WASSERTEIN SECURITIES (INDIA) PRIVATE LIMITED (FORMERLY KNOWN AS DRESDNER KLEINWORT BENSON SECURITIES (INDIA) LIMITED), MEMBER, NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND BOMBAY STOCK EXCHANGE LIMITED IN RESPECT OF ITS DEALINGS IN THE SHARES OF DSQ SOFTWARE LTD.

Date of Hearing: September 14, 2006

Appearances:

For noticee: Shri Shuva Mandal, Advocate.

For Securities and Exchange Board of India: Shri. B Rajendran, Dy. General Manager

1.0 BACKGROUND

1.1 Securities and Exchange Board of India (hereinafter referred to as SEBI) noticed that the price of the shares of DSQ Software Ltd. (hereinafter referred to as the company), which are inter alia listed at

National Stock Exchange of India Ltd. (hereinafter referred to as NSE) and the Bombay Stock Exchange Ltd. (hereinafter referred to as BSE), moved from Rs. 255/- to Rs. 2631/- during the period between October 1, 1999 and March 31, 2000. Thereafter, the share price reached Rs. 149/- on March 31, 2001 from Rs. 1499/- on April 1, 2000.

1.2 In view of the aforesaid unusual price movement, SEBI conducted investigations into the possible market manipulation/ irregularities in the trading in the shares of the company to look into the possible violation of inter alia the provisions of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 (hereinafter referred to as the FUTP Regulations) and Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as the Broker Regulations) by various entities/stock brokers. It has been alleged that the promoters/ directors of the company generated funds by trading in the shares of the company through their associates and that large quantities of the shares of the company were sold by the associates of the company through a set of stock brokers at NSE and BSE. The aforesaid shares were bought back by the associates of the company at the same time through different set of stock brokers. It has been alleged that the said trades were artificial and synchronized.

1.3 The investigation conducted by SEBI inter alia observed that M/s. Dresdner Klienwort Benson Securities (India) Ltd. (hereinafter referred to as the 'Broker'), a member of BSE and NSE and registered with SEBI as a stock broker (registration number INB 010706833 and INB 230706837) executed substantial trades (including proprietary trading) in the shares of the company for its various clients (including the

associates of the company) during the period October 1999 to March 2001. The Broker had also executed synchronized trades in the shares of the company with other stock brokers registered with SEBI.

1.4 The synchronized trade details of the Broker in the shares of the company with various stock brokers are as follows:

i. Trades executed with Accord Capital Markets Ltd. (Member, NSE)

Trade Date	Buy order number	Buy Time	Buy Price	Buy Qty	Trade Time	Buy Client	Sell Member	Sell Order number	Sell Order Time	Sell Order Price	Sell Qty	Sell Client
02-Feb-00	200002020419623	12:19:38 PM	1432.00	25000	12:19:38	Mehta & Ajmera	DKB	200002020419557	12:19:36 PM	1432.00	25000	DSQ Industries
02-Feb-00	200002020421927	12:20:59 PM	1429.00	25000	12:20:59	Mehta & Ajmera	DKB	200002020421909	12:20:58 PM	1429.00	25000	DSQ Industries
21-Feb-00	200002210126692	10:29:05 AM	1945.00	20000	10:29:05	Mehta & Ajmera	DKB	200002210126584	10:29:03 AM	1945.00	20000	Hulda
21-Feb-00	200002210127958	10:29:24 AM	1947.00	20000	10:29:26	Mehta & Ajmera	DKB	200002210128055	10:29:26 AM	1947.00	20000	Hulda
21-Feb-00	200002210130212	10:30:01 AM	1953.00	20000	10:30:01	Mehta & Ajmera	DKB	200002210130221	10:30:01 AM	1953.00	20000	Hulda
21-Feb-00	200002210195220	10:48:32 AM	1945.00	30000	10:48:34	Mehta & Ajmera	DKB	200002210195354	10:48:34 AM	1945.00	30000	Hulda
28-Feb-00	200002280097911	10:25:23 AM	1802.00	30000	10:25:23	Mehta & Ajmera	DKB	200002280097694	10:25:20 AM	1802.00	30000	DSQ H
28-Feb-00	200002280139221	10:37:57 AM	1785.00	25000	10:37:57	Mehta & Ajmera	DKB	200002280139145	10:37:56 AM	1785.00	25000	DSQ H
28-Feb-00	200002280140166	10:38:16 AM	1785.00	25000	10:38:16	Mehta & Ajmera	DKB	200002280140135	10:38:15 AM	1785.00	25000	DSQ H
28-Feb-00	200002280141487	10:38:42 AM	1783.00	20000	10:38:44	Mehta & Ajmera	DKB	200002280141568	10:38:44 AM	1783.00	20000	DSQ H
07-Mar-00	200003070101272	10:22:45 AM	2258.00	25000	10:22:46	Mehta & Ajmera	DKB	200003070101306	10:22:46 AM	2258.00	25000	DSQ H
07-Mar-00	200003070102950	10:23:09 AM	2262.00	25000	10:23:14	Mehta & Ajmera	DKB	200003070103336	10:23:14 AM	2262.00	25000	DSQ H
07-Mar-00	200003070105824	10:23:50 AM	2267.00	25000	10:23:51	Mehta & Ajmera	DKB	200003070105928	10:23:51 AM	2267.00	25000	DSQ H
07-Mar-00	200003070108270	10:24:23 AM	2268.00	25000	10:24:23	Mehta & Ajmera	DKB	200003070108259	10:24:23 AM	2268.00	25000	DSQ H
18-Apr-00	200004180024244	9:59:40 AM	1457.00	20000	9:59:40	Mehta & Ajmera	DKB	200004180024035	9:59:37 AM	1457.00	20000	DSQ H
18-Apr-00	200004180026839	10:00:11 AM	1453.00	20000	10:00:11	Mehta & Ajmera	DKB	200004180026829	10:00:11 AM	1453.00	20000	DSQ H
18-Apr-00	200004180031471	10:01:09 AM	1457.00	25000	10:01:09	Mehta & Ajmera	DKB	200004180031234	10:01:06 AM	1457.00	25000	DSQ H
16-May-00	200005160057195	10:07:42 AM	613.50	25000	10:07:42	Mehta & Ajmera	DKB	200005160057220	10:07:42 AM	613.50	25000	DSQ H
16-May-00	200005160063413	10:09:10 AM	604.50	25000	10:09:10	Mehta & Ajmera	DKB	200005160063444	10:09:10 AM	604.50	25000	DSQ H
16-May-00	200005160065149	10:09:36 AM	603.50	25000	10:09:36	Mehta & Ajmera	DKB	200005160065126	10:09:36 AM	603.50	25000	DSQ H

16-May-00	20000516 0065149	10:09: 36 AM	603.50	25000	10:10:04	Mehta & Ajmera	DKB	20000516 0066880	10:10:04 AM	603.50	20000	DSQ H
16-May-00	20000516 0066787	10:10: 03 AM	603.50	20000	10:10:04	Mehta & Ajmera	DKB	20000516 0066880	10:10:04 AM	603.50	20000	DSQ H
29-May-00	20000529 0104768	10:21: 04 AM	562.00	25000	10:21:05	Mehta & Ajmera	DKB	20000529 0104795	10:21:05 AM	562.00	25000	DSQ H
01-Jun-00	20000601 0034685	10:01: 55 AM	723.50	25000	10:01:55	Mehta & Ajmera	DKB	20000601 0034448	10:01:52 AM	723.50	25000	DSQ H
05-Jun-00	20000605 0144973	10:33: 49 AM	973.00	25000	10:33:49	Mehta & Ajmera	DKB	20000605 0144960	10:33:49 AM	973.00	25000	DSQ H
05-Jun-00	20000605 0148310	10:34: 37 AM	977.00	25000	10:34:37	Mehta & Ajmera	DKB	20000605 0148274	10:34:37 AM	977.00	25000	DSQ H
05-Jun-00	20000605 0150604	10:35: 11 AM	977.00	25000	10:35:13	Mehta & Ajmera	DKB	20000605 0150743	10:35:13 AM	977.00	25000	DSQ H
05-Jun-00	20000605 0153008	10:35: 46 AM	977.00	25000	10:35:46	Mehta & Ajmera	DKB	20000605 0153000	10:35:46 AM	977.00	25000	DSQ H
05-Jun-00	20000605 0162730	10:38: 26 AM	966.00	25000	10:38:26	Mehta & Ajmera	DKB	20000605 0162704	10:38:25 AM	966.00	25000	DSQ H
05-Jun-00	20000605 0164823	10:39: 01 AM	964.00	25000	10:39:01	Mehta & Ajmera	DKB	20000605 0164798	10:39:00 AM	964.00	25000	DSQ H
05-Jun-00	20000605 0166310	10:39: 25 AM	964.50	25000	10:39:25	Mehta & Ajmera	DKB	20000605 0166259	10:39:25 AM	964.50	25000	DSQ H
05-Jun-00	20000605 0172439	10:41: 11 AM	964.00	25000	10:41:11	Mehta & Ajmera	DKB	20000605 0172362	10:41:10 AM	964.00	25000	DSQ H
05-Jun-00	20000605 0174123	10:41: 40 AM	963.00	25000	10:41:40	Mehta & Ajmera	DKB	20000605 0174067	10:41:39 AM	963.00	25000	DSQ H
05-Jun-00	20000605 0176217	10:42: 17 AM	961.00	10000	10:42:17	Mehta & Ajmera	DKB	20000605 0176223	10:42:17 AM	961.00	10000	DSQ H
07-Jun-00	20000607 0158439	10:29: 07 AM	1020.00	25000	10:29:07	Mehta & Ajmera	DKB	20000607 0158365	10:29:06 AM	1020.00	25000	DSQ H
07-Jun-00	20000607 0160274	10:29: 38 AM	1020.00	25000	10:29:38	Mehta & Ajmera	DKB	20000607 0160256	10:29:38 AM	1020.00	25000	DSQ H
07-Jun-00	20000607 0162985	10:30: 23 AM	1018.00	25000	10:30:23	Mehta & Ajmera	DKB	20000607 0162894	10:30:22 AM	1018.00	25000	DSQ H
07-Jun-00	20000607 0165050	10:31: 00 AM	1018.50	25000	10:31:00	Mehta & Ajmera	DKB	20000607 0164928	10:30:57 AM	1018.50	25000	DSQ H
08-Jun-00	20000608 0076903	10:08: 57 AM	1004.50	25000	10:08:57	Mehta & Ajmera	DKB	20000608 0076873	10:08:57 AM	1004.50	25000	Hulda
08-Jun-00	20000608 0079500	10:09: 28 AM	1002.75	25000	10:09:28	Mehta & Ajmera	DKB	20000608 0079449	10:09:27 AM	1002.75	25000	Hulda
08-Jun-00	20000608 0084631	10:10: 29 AM	997.00	25000	10:10:29	Mehta & Ajmera	DKB	20000608 0084521	10:10:27 AM	997.00	25000	Hulda
08-Jun-00	20000608 0086043	10:10: 47 AM	997.50	25000	10:10:47	Mehta & Ajmera	DKB	20000608 0085948	10:10:46 AM	997.50	25000	Hulda
28-Jun-00	20000628 0155101	10:30: 17 AM	983.00	5000	10:30:48	Mehta & Ajmera	DKB	20000628 0156847	10:30:48 AM	982.75	25000	Hulda
06-Jul-00	20000706 0136535	10:20: 48 AM	1002.00	25000	10:20:49	Mehta & Ajmera	DKB	20000706 0136589	10:20:49 AM	1002.00	25000	DSQ H
06-Jul-00	20000706 0137933	10:21: 07 AM	1003.50	25000	10:21:08	Mehta & Ajmera	DKB	20000706 0137989	10:21:08 AM	1003.50	25000	DSQ H
06-Jul-00	20000706 0139248	10:21: 26 AM	1004.50	25000	10:21:27	Mehta & Ajmera	DKB	20000706 0139329	10:21:27 AM	1004.50	25000	DSQ H
10-Jul-00	20000710 0077430	10:10: 37 AM	1029.00	25000	10:10:38	Mehta & Ajmera	DKB	20000710 0077533	10:10:38 AM	1029.00	25000	DSQ H
10-Jul-00	20000710 0078944	10:10: 56 AM	1028.50	25000	10:10:57	Mehta & Ajmera	DKB	20000710 0079038	10:10:57 AM	1028.50	25000	DSQ H
10-Jul-00	20000710 0080311	10:11: 15 AM	1028.75	25000	10:11:15	Mehta & Ajmera	DKB	20000710 0080266	10:11:15 AM	1028.75	25000	DSQ H
10-Jul-00	20000710 0081683	10:11: 35 AM	1027.00	25000	10:11:35	Mehta & Ajmera	DKB	20000710 0081694	10:11:35 AM	1027.00	25000	DSQ H
10-Jul-00	20000710 0082794	10:11: 50 AM	1027.00	25000	10:11:51	Mehta & Ajmera	DKB	20000710 0082843	10:11:51 AM	1027.00	25000	DSQ H

10-Jul-00	20000710 0084081	10:12: 08 AM	1027.50	25000	10:12:10	Mehta & Ajmera	DKB	20000710 0084173	10:12:10 AM	1027.50	25000	Hulda
10-Jul-00	20000710 0085502	10:12: 28 AM	1028.50	25000	10:12:28	Mehta & Ajmera	DKB	20000710 0085554	10:12:28 AM	1028.50	25000	Hulda
26-Jul-00	20000726 0193246	10:30: 37 AM	670.50	30000	10:30:37	Self	DKB	20000726 0193251	10:30:37 AM	670.50	30000	Hulda
26-Jul-00	20000726 0195187	10:31: 05 AM	670.50	15000	10:31:05	Self	DKB	20000726 0195162	10:31:05 AM	670.50	15000	Hulda
19-Oct-00	20001019 0212550	10:41: 31 AM	301.50	500	19-Oct- 00	Self	DKB	20001019 0212616	10:41:32 AM	301.50	25000	DSQ H
19-Oct-00	20001019 0894636	2:10:5 6 PM	338.00	500	19-Oct- 00	Self	DKB	20001019 0894601	2:10:55 PM	337.75	50000	DSQ H
01-Nov-00	20001101 0188192	10:26: 13 AM	390.00	10000	01-Nov- 00	Mehta & Ajmera	DKB	20001101 0188706	10:26:20 AM	389.50	50000	DSQ H
01-Nov-00	20001101 0188194	10:26: 13 AM	390.00	2000	01-Nov- 00	Self	DKB	20001101 0188706	10:26:20 AM	389.50	50000	DSQ H
01-Nov-00	20001101 0194363	10:27: 32 AM	391.50	1000	01-Nov- 00	Self	DKB	20001101 0194239	10:27:30 AM	391.00	50000	DSQ H
08-Jan-01	20010108 0446205	11:15: 08 AM	388.55	500	08-Jan- 01	Self	DKB	20010108 0446501	11:15:11 AM	388.50	50000	Hulda

ii. Trades executed with Biyani Securities – (Member, NSE)

Trade date	Buy Membe r Name	Buy order number	Buy Time	Buy Price	Buy Qty	Trade Time	Buy Client	Sell Membe r	Sell Order number	Sell Order Time	Sell Order Price	Sell Qty	Sell Client
18-Apr-00	Biyani Sec	20000418 0023777	9:59:34 AM	1460.00	50	9:59:39	Chand Ratn Bagree	DKB	2000041 8002403 5	9:59:37 AM	1457.00	20000	DSQ HOLD
19-Jun-00	Biyani Sec	20000619 0183797	10:29:48 AM	1042.50	25000	10:29:53	Harish C. Biyani	DKB	2000061 9018411 9	10:29:53 AM	1042.50	25000	HULDA
19-Jun-00	Biyani Sec	20000619 0352538	11:17:09 AM	1052.50	25000	11:17:11	Harish C. Biyani	DKB	2000061 9035260 9	11:17:11 AM	1052.50	25000	HULDA
19-Jun-00	Biyani Sec	20000619 0355338	11:18:07 AM	1049.50	15000	11:18:08	Harish C. Biyani	DKB	2000061 9035537 1	11:18:08 AM	1049.50	15000	HULDA
19-Jun-00	Biyani Sec	20000619 0370567	11:23:30 AM	1049.00	10000	11:23:32	Harish C. Biyani	DKB	2000061 9037065 3	11:23:32 AM	1049.00	10000	HULDA
21-Jun-00	Biyani Sec	20000621 0042818	10:01:23 AM	1046.00	25000	10:01:26	HULDA	DKB	2000062 1004311 5	10:01:26 AM	1046.00	25000	HULDA
21-Jun-00	Biyani Sec	20000621 0046235	10:01:59 AM	1046.50	15000	10:02:00	HULDA	DKB	2000062 1004631 2	10:02:00 AM	1046.50	15000	HULDA
28-Jun-00	Biyani Sec	20000628 0156796	10:30:47 AM	982.75	25000	10:30:48	Self	DKB	2000062 8015684 7	10:30:48 AM	982.75	25000	HULDA
28-Jun-00	Biyani Sec	20000628 0164230	10:32:51 AM	983.00	25000	10:32:53	Self	DKB	2000062 8016432 6	10:32:53 AM	983.00	25000	HULDA
28-Jun-00	Biyani Sec	20000628 0166407	10:33:33 AM	981.00	25000	10:33:33	Self	DKB	2000062 8016596 0	10:33:24 AM	981.00	25000	HULDA
28-Jun-00	Biyani Sec	20000628 0169602	10:34:33 AM	978.00	25000	10:34:34	Self	DKB	2000062 8016964 1	10:34:34 AM	978.00	25000	HULDA
28-Jun-00	Biyani Sec	20000628 0543878	1:36:16 PM	977.50	25000	13:36:17	Self	DKB	2000062 8054391 5	1:36:17 PM	977.50	25000	DSQ H
28-Jun-00	Biyani Sec	20000628 0544396	1:36:35 PM	977.50	25000	13:36:36	Self	DKB	2000062 8054440 8	1:36:36 PM	977.50	25000	DSQ H

28-Jun-00	Biyani Sec	200006280716345	3:06:43 PM	984.50	25000	15:06:44	Self	DKB	200006280716390	3:06:44 PM	984.50	25000	DSQ H
28-Jun-00	Biyani Sec	200006280717725	3:07:09 PM	984.25	25000	15:07:10	Self	DKB	200006280717817	3:07:10 PM	984.25	25000	DSQ H
05-Jul-00	Biyani Sec	200007050098705	10:12:06 AM	1078.50	25000	10:12:06	Hulda Propertes - 520 shares & Harish Biyani - 24480 shares	DKB	200007050098656	10:12:05 AM	1078.50	25000	HULDA
05-Jul-00	Biyani Sec	200007050100650	10:12:28 AM	1078.00	25000	10:12:28	Harish Biyani - 23000 sh, Emkeyss Inv - 1500 sh & Soni Inv. - 500 sh	DKB	200007050100690	10:12:28 AM	1078.00	25000	HULDA
05-Jul-00	Biyani Sec	200007050102645	10:12:51 AM	1077.50	10000	10:12:52	Hulda Properties - 9480 sh, Harish Biyani - 520 sh	DKB	200007050102694	10:12:52 AM	1077.50	10000	HULDA
06-Jul-00	Biyani Sec	200007060076746	10:07:44 AM	991.25	25000	10:07:44	Harish Biyani	DKB	200007060076798	10:07:44 AM	991.25	25000	DSQHOLD
06-Jul-00	Biyani Sec	200007060078731	10:08:06 AM	989.75	25000	10:08:06	Harish Biyani	DKB	200007060078790	10:08:06 AM	989.75	25000	DSQHOLD
06-Jul-00	Biyani Sec	200007060078858	10:08:07 AM	990.00	100	10:08:07	Ashok Tiwari	DKB	200007060078790	10:08:06 AM	989.75	25000	DSQHOLD
12-Jul-00	Biyani Sec	200007120098311	10:16:07 AM	980.00	25000	10:16:07	Self	DKB	200007120098351	10:16:07 AM	980.00	25000	HULDA
12-Jul-00	Biyani Sec	200007120099134	10:16:20 AM	980.00	25000	10:16:21	Self	DKB	200007120099180	10:16:21 AM	980.00	25000	HULDA
12-Jul-00	Biyani Sec	200007120100249	10:16:39 AM	980.25	25000	10:16:39	Self	DKB	200007120100270	10:16:39 AM	980.25	25000	HULDA
12-Jul-00	Biyani Sec	200007120101412	10:16:58 AM	980.25	25000	10:16:58	Self	DKB	200007120101417	10:16:58 AM	980.25	25000	HULDA
12-Jul-00	Biyani Sec	200007120134076	10:25:51 AM	991.25	25000	10:25:52	Self	DKB	200007120134108	10:25:52 AM	991.25	25000	HULDA
12-Jul-00	Biyani Sec	200007120135894	10:26:20 AM	989.50	25000	10:26:22	Self	DKB	200007120136023	10:26:22 AM	989.50	25000	HULDA
13-Jul-00	Biyani Sec	200007130100302	10:11:51 AM	1016.50	25000	10:11:51	Self	DKB	200007130100276	10:11:51 AM	1016.50	25000	HULDA
13-Jul-00	Biyani Sec	200007130103367	10:12:29 AM	1015.75	25000	10:12:30	Self	DKB	200007130103428	10:12:30 AM	1015.75	25000	HULDA
13-Jul-00	Biyani Sec	200007130106125	10:13:03 AM	1014.75	20000	10:13:03	Self	DKB	200007130106131	10:13:03 AM	1014.75	20000	HULDA
18-Jul-00	Biyani Sec	200007180109597	10:20:10 AM	892.50	25000	10:20:12	Self	DKB	200007180109691	10:20:12 AM	892.50	25000	HULDA
18-Jul-00	Biyani Sec	200007180124752	10:24:33 AM	889.00	20000	10:24:33	Self	DKB	200007180124754	10:24:33 AM	889.00	20000	HULDA
20-Jul-00	Biyani Sec	200007200018723	9:58:26 AM	817.00	30000	9:58:27	Harish Biyani	DKB	200007200018880	9:58:27 AM	817.00	30000	HULDA

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25-Jul-00	Biyani Sec	200007250115848	10:19:41 AM	621.50	30000	10:19:42	Self	DKB	200007250115908	10:19:42 AM	621.50	30000	HULDA
01-Aug-00	Biyani Sec	200008010179663	10:39:03 AM	652.45	25000	10:39:04	Self	DKB	200008010179731	10:39:04 AM	652.45	25000	HULDA
01-Aug-00	Biyani Sec	200008010181732	10:39:41 AM	652.25	25000	10:39:41	Harish Biyani - 2000 & Self - 23000	DKB	200008010181772	10:39:41 AM	652.25	25000	HULDA
01-Aug-00	Biyani Sec	200008010184408	10:40:33 AM	649.50	20000	10:40:33	Self	DKB	200008010184434	10:40:33 AM	649.50	20000	HULDA
19-Oct-00	Biyani Sec	200010190205675	10:39:32 AM	305.15	25000	10:39:33	Harish Biyani	DKB	200010190205724	10:39:33 AM	305.15	25000	DSQ H
19-Oct-00	Biyani Sec	200010190207021	10:39:55 AM	305.60	25000	10:39:55	Harish Biyani - 13833 shares & Self - 11167 shares	DKB	200010190206775	10:39:51 AM	305.60	25000	DSQ H
19-Oct-00	Biyani Sec	200010190209865	10:40:45 AM	303.25	25000	10:40:47	Harish Biyani	DKB	200010190209966	10:40:47 AM	303.25	25000	DSQ H
19-Oct-00	Biyani Sec	200010190210693	10:41:00 AM	303.00	25000	10:41:02	Harish Biyani – 1167 shares & Self - 23833 shares	DKB	200010190210791	10:41:02 AM	303.00	25000	DSQ H
19-Oct-00	Biyani Sec	200010190212598	10:41:32 AM	301.50	25000	10:41:32	Self	DKB	200010190212616	10:41:32 AM	301.50	25000	DSQ H
19-Oct-00	Biyani Sec	200010190213625	10:41:47 AM	301.75	25000	10:41:47	Self	DKB	200010190213623	10:41:47 AM	301.75	25000	DSQ H
31-Oct-00	Biyani Sec	200010310143255	10:27:28 AM	357.50	30000	10:27:28	Self	DKB	200010310143256	10:27:28 AM	357.50	30000	DSQ H
08-Jan-01	Biyani Sec	200101080443636	11:14:35 AM	388.75	50000	11:14:35	Harish Biyani	DKB	200101080443627	11:14:35 AM	388.75	50000	HULDA
08-Jan-01	Biyani Sec	200101080446384	11:15:10 AM	388.50	50000	11:15:11	Harish Biyani	DKB	200101080446501	11:15:11 AM	388.50	50000	HULDA
07-Feb-01	Biyani Sec	200102070813245	12:33:47 PM	437.60	49000	12:33:48	Harish Biyani	DKB	200102070813293	12:33:48 PM	437.60	49000	DSQ H
12-Feb-01	Biyani Sec	200102121227368	3:13:45 PM	422.75	50000	15:13:46	Self	DKB	200102121227490	3:13:46 PM	422.75	50000	DSQ H
12-Feb-01	Biyani Sec	200102121230094	3:14:20 PM	423.10	50000	15:14:21	Self	DKB	200102121230142	3:14:21 PM	423.10	50000	DSQ H
12-Feb-01	Biyani Sec	200102121271487	3:23:09 PM	421.40	50000	15:23:09	Self	DKB	200102121271451	3:23:09 PM	421.40	50000	DSQ H
12-Feb-01	Biyani Sec	200102121290475	3:27:20 PM	421.25	50000	15:27:21	Self	DKB	200102121290530	3:27:21 PM	421.25	50000	DSQ H

iii. Trades executed with SMIFS Securities Ltd. (Member, NSE)

Trade Date	Buy Member	Buy order number	Buy Time	Buy Price	Buy Qty	Trade Time	Buy Client Name	Sell Member	Sell Order No.	Sell Order Time	Sell Price	Sell Qty	Sell Client
16-Jun-00	Smifs Securities	200006160787564	2:34:34 PM	971.00	20000	14:34:34	Hulda Properties	DKB	200006160787569	2:34:34 PM	971.00	20000	HULDA
16-Jun-00	Smifs Securities	200006160788519	2:34:58 PM	971.00	20000	14:34:58	Hulda Properties	DKB	200006160788384	2:34:54 PM	971.00	20000	HULDA
16-Jun-00	Smifs Securities	200006160789478	2:35:23 PM	971.00	10000	14:35:23	Hulda Properties	DKB	200006160789457	2:35:22 PM	971.00	10000	HULDA
19-Jun-00	Smifs Securities	200006190023009	9:58:41 AM	1026.00	25000	9:58:41	Hulda Properties	DKB	200006190022808	9:58:39 AM	1026.00	25000	HULDA
19-Jun-00	Smifs Securities	200006190025415	9:59:04 AM	1027.00	25000	9:59:04	Hulda Properties	DKB	200006190025379	9:59:03 AM	1027.00	25000	HULDA
28-Jun-00	Smifs Securities	200006280117840	10:19:35 AM	999.00	25000	10:19:37	Hulda Properties	DKB	200006280117912	10:19:37 AM	999.00	25000	HULDA
28-Jun-00	Smifs Securities	200006280119191	10:19:58 AM	1001.00	25000	10:19:59	Hulda Properties	DKB	200006280119246	10:19:59 AM	1001.00	25000	HULDA
28-Jun-00	Smifs Securities	200006280120062	10:20:13 AM	999.00	25000	10:20:14	Hulda Properties	DKB	200006280120117	10:20:14 AM	999.00	25000	HULDA
28-Jun-00	Smifs Securities	200006280121473	10:20:37 AM	997.50	25000	10:20:38	Hulda Properties	DKB	200006280121543	10:20:38 AM	997.50	25000	HULDA
17-Oct-00	Smifs Securities	200010170434061	12:18:14 PM	392.25	50000	12:18:15	Powerflow Holding	DKB	200010170434090	12:18:15 PM	392.25	50000	DSQ H
18-Oct-00	Smifs Securities	200010180416510	11:54:51 AM	337.75	50000	11:54:51	Powerflow Holding	DKB	200010180416243	11:54:46 AM	337.75	50000	DSQ H
18-Oct-00	Smifs Securities	200010180417901	11:55:19 AM	338.40	50000	11:55:20	Powerflow Holding	DKB	200010180417920	11:55:20 AM	338.40	50000	DSQ H
19-Oct-00	Smifs Securities	200010190894958	2:11:03 PM	337.75	50000	14:11:03	Powerflow Holding	DKB	200010190894601	2:10:55 PM	337.75	50000	DSQ H
19-Oct-00	Smifs Securities	200010190895665	2:11:20 PM	337.75	50000	14:11:20	Powerflow Holding	DKB	200010190895690	2:11:20 PM	337.75	50000	DSQ H
19-Oct-00	Smifs Securities	200010190896496	2:11:39 PM	338.00	50000	14:11:40	Powerflow Holding	DKB	200010190896528	2:11:40 PM	338.00	50000	DSQ H
19-Oct-00	Smifs Securities	200010190897454	2:11:59 PM	337.25	50000	14:11:59	Powerflow Holding	DKB	200010190897450	2:11:59 PM	337.25	50000	DSQ H
20-Oct-00	Smifs Securities	200010200060379	10:01:54 AM	364.50	50000	10:01:54	Powerflow Holding	DKB	200010200060307	10:01:54 AM	364.50	50000	DSQ H
20-Oct-00	Smifs Securities	200010200063180	10:02:17 AM	364.00	50000	10:02:20	Powerflow Holding	DKB	200010200063545	10:02:20 AM	364.00	50000	DSQ H
20-Oct-00	Smifs Securities	200010200065558	10:02:36 AM	363.00	50000	10:02:37	Powerflow Holding	DKB	200010200065750	10:02:37 AM	363.00	50000	DSQ H
20-Oct-00	Smifs Securities	200010200067284	10:02:49 AM	362.00	50000	10:02:50	Powerflow Holding	DKB	200010200067352	10:02:50 AM	362.00	50000	DSQ H
27-Oct-00	Smifs Securities	200010270360204	11:47:10 AM	398.75	45000	11:47:20	Powerflow Holding	DKB	200010270360261	11:47:12 AM	398.75	45000	DSQ H
27-Oct-00	Smifs Securities	200010270362088	11:48:01 AM	397.25	45000	11:48:02	Powerflow Holding	DKB	200010270362107	11:48:02 AM	397.25	45000	DSQ H

27-Oct-00	Smifs Securitie s	2000102 7036265 8	11:48:16 AM	396.25	45000	11:48:17	Powerflow Holding	DKB	2000102 7036266 2	11:48:17 AM	396.25	45000	DSQ H
27-Oct-00	Smifs Securitie s	2000102 7036551 7	11:49:21 AM	393.75	45000	11:49:22	Powerflow Holding	DKB	2000102 7036556 4	11:49:22 AM	393.75	45000	DSQ H
27-Oct-00	Smifs Securitie s	2000102 7061977 5	1:53:34 PM	387.75	20000	13:53:34	Powerflow Holding	DKB	2000102 7061977 9	1:53:34 PM	387.75	20000	DSQ H
01-Nov-00	Smifs Securitie s	2000110 1018870 4	10:26:20 AM	389.50	50000	10:26:20	Powerflow Holding	DKB	2000110 1018870 6	10:26:20 AM	389.50	50000	DSQ H
01-Nov-00	Smifs Securitie s	2000110 1019410 9	10:27:28 AM	391.00	50000	10:27:30	Powerflow Holding	DKB	2000110 1019423 9	10:27:30 AM	391.00	50000	DSQ H
01-Nov-00	Smifs Securitie s	2000110 1036987 4	11:15:54 AM	386.75	25000	11:15:54	Powerflow Holding	DKB	2000110 1036985 0	11:15:53 AM	386.75	25000	DSQ H
02-Nov-00	Smifs Securitie s	2000110 2061671 1	1:26:37 PM	375.25	50000	13:26:37	Powerflow Holding	DKB	2000110 2061674 0	1:26:37 PM	375.25	50000	DSQ H
02-Nov-00	Smifs Securitie s	2000110 2061725 9	1:26:51 PM	375.50	50000	13:26:52	Powerflow Holding	DKB	2000110 2061727 7	1:26:52 PM	375.50	50000	DSQ H
08-Nov-00	Smifs Securitie s	2000110 8082141 7	1:37:21 PM	448.35	50000	13:37:21	Powerflow Holding	DKB	2000110 8082139 0	1:37:20 PM	448.35	50000	DSQ H
08-Nov-00	Smifs Securitie s	2000110 8082413 8	1:38:26 PM	447.60	50000	13:38:26	Powerflow Holding	DKB	2000110 8082413 7	1:38:26 PM	447.60	50000	DSQ H
08-Nov-00	Smifs Securitie s	2000110 8082839 6	1:40:13 PM	445.70	50000	13:40:14	Powerflow Holding	DKB	2000110 8082843 0	1:40:14 PM	445.70	50000	DSQ H
08-Nov-00	Smifs Securitie s	2000110 8083181 9	1:41:35 PM	446.35	50000	13:41:38	Powerflow Holding	DKB	2000110 8083193 3	1:41:38 PM	446.35	50000	DSQ H
14-Nov-00	Smifs Securitie s	2000111 4065577 1	1:24:45 PM	399.30	25000	13:24:45	Mackertich Consultanc y	DKB	2000111 4065575 1	1:24:45 PM	399.30	25000	DSQ H
23-Nov-00	Smifs Securitie s	2000112 3005453 3	10:02:30 AM	448.75	50000	10:02:30	Powerflow Holding	DKB	2000112 3005444 6	10:02:29 AM	448.75	50000	DSQ H
23-Nov-00	Smifs Securitie s	2000112 3005602 8	10:02:43 AM	448.25	50000	10:02:43	Powerflow Holding	DKB	2000112 3005595 7	10:02:42 AM	448.25	50000	DSQ H

iv. Trades executed with SMIFS Securities Ltd. (Member, BSE)

Trade Date	Buy Member	Buy order No	Buy Order Time	Buy Order Rate	Buy Order Qty	Trade Time	Buying Client	Sell Member	Sell Order No.	Sell Order Time	Sell Price	Sell Qty	Sell Client
28-Feb-00	Smifs Securitie s	70903000 2	10:39:02	1801	25000	10:39:03	Hulda Properties	DKB	27602004 4	10:39:03	1801	25000	HULDA PROPER TIES
28-Feb-00	Smifs Securitie s	70903000 3	10:39:40	1801	25000	10:39:41	Hulda Properties	DKB	27602004 5	10:39:41	1801	25000	HULDA PROPER TIES
26-Apr-00	Smifs Securitie s	70903000 9	9:58:34	977	45000	09:58:34	Hulda Properties	DKB	27602030 7	9:58:33	977	45000	DSQ H
17-Oct-00	Smifs Securitie s	70900300 01000151 9	12:21:14	392.5	50000	12:21:14	Powerflow Holdings	DKB	27600200 01001390 6	12:21:13	392.5	50000	DSQ H
17-Oct-00	Smifs Securitie s	70900300 01000152	12:21:47	392.25	75000	12:21:47	Powerflow Holdings	DKB	27600200 01001390	12:21:46	392.25	75000	DSQ H

	s	0							7				
18-Oct-00	Smifs Securitie s	70900300 01000153 8	11:57:44	338.25	55000	11:57:44	Powerflow Holdings	DKB	27600200 01001419 4	11:57:44	338.25	55000	DSQ H
18-Oct-00	Smifs Securitie s	70900300 01000153 9	11:58:02	338.25	50000	11:58:02	Powerflow Holdings	DKB	27600200 01001419 5	11:58:01	338.25	50000	DSQ H
24-Oct-00	Smifs Securitie s	70900300 01000158 7	13:16:44	327.5	50000	13:16:48	Powerflow Holdings	DKB	27600100 01000011 1	13:16:48	327.5	50000	DSQ H
24-Oct-00	Smifs Securitie s	70900300 01000158 8	13:17:18	326.5	50000	13:17:20	Powerflow Holdings	DKB	27600100 01000011 2	13:17:19	326.5	50000	DSQ H
16-Nov-00	Smifs Securitie s	70900400 01000768 4	13:13:20	441	200000	13:13:20	Powerflow Holdings	DKB	27600100 01000059 9	13:13:20	441	200000	DSQ H

v. Trades executed with Mittal Securities Ltd – (Member, NSE)

Trade Date	Buy order number	Buy Time	Buy Price	Buy Qty	Trade Time	Buying Client	Sell Memb er	Sell Order No.	Sell Time	Sell Price	Sell Qty	Selling Client
16-Jun-00	20000616 0675328	1:45:00 PM	968.75	25000	13:45:00	Hulda Properties	DKB	20000616 0675292	1:44:59 PM	968.75	25000	Hulda Properties
16-Jun-00	20000616 0676797	1:45:46 PM	968.85	25000	13:45:49	Hulda Properties	DKB	20000616 0676930	1:45:49 PM	968.80	25000	Hulda Properties
19-Jun-00	20000619 0081345	10:08:39 AM	1027.5 0	25000	10:08:39	Hulda Properties	DKB	20000619 0081383	10:08:39 AM	1027.25	25000	Hulda Properties
19-Jun-00	20000619 0084064	10:09:09 AM	1028.5 0	25000	10:09:09	Hulda Properties	DKB	20000619 0084029	10:09:09 AM	1028.50	25000	Hulda Properties
18-Oct-00	20001018 0329597	11:15:56 AM	343.60	20000	11:15:56	Hulda Properties	DKB	20001018 0329592	11:15:56 AM	343.60	20000	DSQ H
18-Oct-00	20001018 0337070	11:18:46 AM	344.15	10000	11:18:51	Hulda Properties	DKB	20001018 0337215	11:18:51 AM	344.15	10000	DSQ H
18-Oct-00	20001018 0385187	11:40:35 AM	342.60	10000	11:40:36	Hulda Properties	DKB	20001018 0385209	11:40:36 AM	342.60	10000	DSQ H
18-Oct-00	20001018 0385881	11:40:58 AM	342.50	20000	11:40:58	Hulda Properties	DKB	20001018 0385870	11:40:57 AM	342.50	20000	DSQ H
18-Oct-00	20001018 0386593	11:41:21 AM	343.10	20000	11:41:22	Hulda Properties	DKB	20001018 0386615	11:41:22 AM	343.10	20000	DSQ H
06-Nov-00	20001106 0112250	10:12:27 AM	395.75	55000	10:12:28	Hulda Properties	DKB	20001106 0112378	10:12:28 AM	395.75	55000	DSQ H

vi. Trades executed with Woodstock Broking Ltd. – (Member, NSE)

Trade date	Buy order number	Buy Time	Buy Price	Buy Qty	Trade time	Buying Client	Sellin g Memb er	Sell Order No.	Sell Order Time	Sell Order Price	Sell Order Qty	Sell Client
02-Feb-00	2000020 2035708 6	11:51:26 AM	1438.50	25000	11:51:27	HULDA	DKB	20000202 0357088	11:51:27 AM	1438.50	25000	DSQ INDS
02-Feb-00	2000020 2035774 1	11:51:45 AM	1438.25	25000	11:51:46	HULDA	DKB	20000202 0357770	11:51:46 AM	1430.00	25000	DSQ INDS
03-Feb-00	2000020 3023807 4	11:03:15 AM	1383.50	25000	11:03:16	HULDA	DKB	20000203 0238089	11:03:16 AM	1383.50	25000	DSQ INDS
03-Feb-00	2000020 3023886 3	11:03:31 AM	1383.50	25000	11:03:31	HULDA	DKB	20000203 0238858	11:03:31 AM	1383.50	25000	DSQ INDS

03-Feb-00	2000020 3024005 1	11:03:57 AM	1381.00	25000	11:03:57	HULDA	DKB	20000203 0239975	11:03:55 AM	1381.00	25000	DSQ INDS
03-Feb-00	2000020 3024110 7	11:04:19 AM	1381.50	25000	11:04:19	HULDA	DKB	20000203 0241120	11:04:19 AM	1381.50	25000	DSQ INDS
03-Feb-00	2000020 3036744 4	11:58:03 AM	1382.00	25000	11:58:05	HULDA	DKB	20000203 0367521	11:58:05 AM	1382.00	25000	DSQ INDS
03-Feb-00	2000020 3036815 5	11:58:21 AM	1382.00	25000	11:58:22	HULDA	DKB	20000203 0368181	11:58:22 AM	1382.00	25000	DSQ INDS
03-Feb-00	2000020 3039383 2	12:11:57 PM	1382.50	25000	12:11:57	HULDA	DKB	20000203 0393757	12:11:55 PM	1382.50	25000	DSQ INDS
03-Feb-00	2000020 3039465 5	12:12:19 PM	1382.00	25000	12:12:20	HULDA	DKB	20000203 0394676	12:12:20 PM	1382.00	25000	DSQ INDS
17-Feb-00	2000021 7030518 8	11:34:00 AM	1679.00	25000	11:34:00	HULDA	DKB	20000217 0305191	11:34:00 AM	1679.00	25000	HULDA
17-Feb-00	2000021 7030621 0	11:34:26 AM	1687.00	25000	11:34:28	HULDA	DKB	20000217 0306290	11:34:28 AM	1687.00	25000	HULDA
17-Feb-00	2000021 7030909 9	11:35:44 AM	1685.00	25000	11:35:44	HULDA	DKB	20000217 0309105	11:35:44 AM	1685.00	25000	HULDA
17-Feb-00	2000021 7030970 9	11:36:01 AM	1687.50	25000	11:36:01	HULDA	DKB	20000217 0309693	11:36:01 AM	1687.50	25000	HULDA
23-Feb-00	2000022 3007140 8	10:18:14 AM	2210.00	25000	10:18:19	HULDA	DKB	20000223 0071772	10:18:19 AM	2210.00	25000	HULDA
23-Feb-00	2000022 3007341 1	10:18:41 AM	2212.00	25000	10:18:41	HULDA	DKB	20000223 0073372	10:18:40 AM	2212.00	25000	HULDA
09-Mar-00	2000030 9005963 6	10:09:32 AM	2583.00	25000	10:09:32	HULDA	DKB	20000309 0059627	10:09:32 AM	2583.00	25000	DSQ HOLDING
09-Mar-00	2000030 9006223 5	10:10:12 AM	2595.00	25000	10:10:12	HULDA	DKB	20000309 0062147	10:10:11 AM	2595.00	25000	DSQ HOLDING
02-Jun-00	2000060 2020200 8	10:41:52 AM	859.75	25000	10:41:52	Suresh Jajoo	DKB	20000602 0201900	10:41:50 AM	859.75	25000	DSQ HOLDING
02-Jun-00	2000060 2020346 8	10:42:16 AM	859.75	25000	10:42:16	Suresh Jajoo	DKB	20000602 0203483	10:42:16 AM	859.75	25000	DSQ HOLDING
02-Jun-00	2000060 2020535 9	10:42:45 AM	858.75	25000	10:42:45	Suresh Jajoo	DKB	20000602 0205307	10:42:44 AM	858.75	25000	DSQ HOLDING
02-Jun-00	2000060 2020789 4	10:43:29 AM	858.50	25000	10:43:29	Suresh Jajoo	DKB	20000602 0207845	10:43:28 AM	858.50	25000	DSQ HOLDING
02-Jun-00	2000060 2020917 0	10:43:53 AM	858.05	25000	10:43:53	Suresh Jajoo	DKB	20000602 0209118	10:43:52 AM	858.05	25000	DSQ HOLDING
02-Jun-00	2000060 2021045 6	10:44:18 AM	858.05	25000	10:44:18	Suresh Jajoo	DKB	20000602 0210427	10:44:18 AM	858.05	25000	DSQ HOLDING
02-Jun-00	2000060 2021157 0	10:44:41 AM	857.15	25000	10:44:41	Suresh Jajoo	DKB	20000602 0211575	10:44:41 AM	857.15	25000	DSQ HOLDING
02-Jun-00	2000060 2021309 1	10:45:09 AM	856.15	25000	10:45:09	Suresh Jajoo	DKB	20000602 0212987	10:45:07 AM	856.15	25000	DSQ HOLDING
14-Jun-00	2000061 4063503 4	1:31:51 PM	929.00	25000	13:31:51	HULDA	DKB	20000614 0635009	1:31:50 PM	929.00	25000	HULDA
14-Jun-00	2000061 4063549	1:32:10 PM	929.50	25000	13:32:10	HULDA	DKB	20000614 0635480	1:32:10 PM	929.50	25000	HULDA

	3											
14-Jun-00	2000061 4063549 3	1:32:10 PM	929.50	25000	13:32:27	HULDA	DKB	20000614 0635888	1:32:27 PM	929.50	25000	HULDA
14-Jun-00	2000061 4063591 2	1:32:27 PM	929.50	25000	13:32:27	HULDA	DKB	20000614 0635888	1:32:27 PM	929.50	25000	HULDA
14-Jun-00	2000061 4063624 8	1:32:41 PM	929.50	25000	13:32:43	HULDA	DKB	20000614 0636289	1:32:43 PM	929.50	25000	HULDA
14-Jun-00	2000061 4063503 4	1:31:51 PM	929.00	25000	13:32:59	HULDA	DKB	20000614 0636289	1:32:43 PM	929.50	25000	HULDA
01-Nov-00	2000110 1008040 2	10:05:06 AM	385.50	50000	10:05:06	Panther Fincap	DKB	20001101 0080338	10:05:05 AM	385.50	50000	DSQ HOLDING
01-Nov-00	2000110 1008180 2	10:05:18 AM	384.50	50000	10:05:18	Panther Fincap	DKB	20001101 0081803	10:05:18 AM	384.50	50000	DSQ HOLDING
01-Nov-00	2000110 1008437 7	10:05:42 AM	384.00	25000	10:05:42	Panther Fincap	DKB	20001101 0084414	10:05:42 AM	384.00	25000	DSQ HOLDING

vii. Trades executed with C. Mackertich Securities – (Member, NSE and BSE)

Transactions at NSE

Trade Date	Buy order number	Buy Time	Buy Price	Buy Qty	Trade Time	Buy Client	Sell TM name	Sell order number	Sell Time	Sell Price	Sell Qty	Sell client code
28-Jun-00	2000062 8052305 4	1:23:10 PM	984.50	25000	13:23:10	DSQ HOLDING	DKB	2000062 8052302 4	1:23:09 PM	984.50	25000	DSQ HOLDING
28-Jun-00	2000062 8052397 9	1:23:46 PM	983.50	25000	13:23:47	DSQ HOLDING	DKB	2000062 8052398 3	1:23:47 PM	983.50	25000	DSQ HOLDING
28-Jun-00	2000062 8052455 9	1:24:08 PM	983.50	25000	13:24:08	DSQ HOLDING	DKB	2000062 8052454 3	1:24:08 PM	93.50	25000	DSQ HOLDING
28-Jun-00	2000062 8052528 0	1:24:36 PM	982.50	25000	13:24:36	DSQ HOLDING	DKB	2000062 8052519 0	1:24:33 PM	982.50	25000	DSQ HOLDING
14-Nov-00	2000111 4065900 4	1:26:14 PM	398.25	50000	13:26:14	Self	DKB	2000111 4065898 1	1:26:13 PM	398.25	50000	DSQ HOLDING

Transactions at BSE

Trade Date	Buy order number	Buy Time	Buy Price	Buy Qty	Trade Time	Buy Client	Sell TM name	Sell order number	Sell Time	Sell Price	Sell Qty	Sell client code
07-Nov-00	3300200 0100004 46	10:30:42	403.35	100000	10:30:42	Self	DKB	276001000 10000511	10:30:42	403.35	100000	DSQ HOLDING
14-Nov-00	3300200 0100005 02	12:23:13	395.75	50000	12:23:15	Self	DKB	276002000 10015509	12:23:14	395.75	50000	DSQ HOLDING
14-Nov-00	3300200 0100005 04	13:06:30	396.75	50000	13:06:31	Self	DKB	276002000 10015532	13:06:29	396.75	50000	DSQ HOLDING

14-Nov-00	3300200 0100005 05	13:07:05	397	50000	13:07:06	Self	DKB	276002000 10015533	13:07:05	396.75	50000	DSQ HOLDING
14-Nov-00	3300200 0100005 11	15:03:36	418.25	50000	15:03:45	Self	DKB	276002000 10015602	15:03:34	418.25	50000	DSQ HOLDING

viii. Trades executed with N H Securities Ltd. – (Member, NSE)

Trade Date	Buy order number	Buy Time	Buy Price	Buy Qty	Trade Time	Buy Client	Sell TM name	Sell order number	Sell Time	Sell Price	Sell Qty	Selling Client
18-Oct-00	2000101 8035280 2	11:25:06 AM	345.00	50000	11:25:06	SELF	DKB	2000101 8035277 5	11:25:05 AM	345.00	75000	DSQ HOLDING
18-Oct-00	2000101 8035335 3	11:25:22 AM	344.50	50000	11:25:22	SELF	DKB	2000101 8035337 7	11:25:22 AM	344.50	50000	DSQ HOLDING
18-Oct-00	2000101 8035580 2	11:26:25 AM	344.00	75000	11:26:25	SELF	DKB	2000101 8035581 4	11:26:25 AM	344.00	75000	DSQ HOLDING
01-Nov-00	2000110 1005341 2	10:00:54 AM	380.00	50000	10:00:54	SELF	DKB	2000110 1005345 4	10:00:54 AM	380.00	50000	DSQ HOLDING
01-Nov-00	2000110 1005341 2	10:00:54 AM	380.00	50000	10:01:07	SELF	DKB	2000110 1005472 9	10:01:07 AM	380.00	50000	DSQ HOLDING
01-Nov-00	2000110 1005469 1	10:01:06 AM	380.00	50000	10:01:07	SELF	DKB	2000110 1005472 9	10:01:07 AM	380.00	50000	DSQ HOLDING
01-Nov-00	2000110 1005469 1	10:01:06 AM	380.00	50000	10:01:17	SELF	DKB	2000110 1005584 6	10:01:17 AM	380.00	50000	DSQ HOLDING
01-Nov-00	2000110 1005595 4	10:01:18 AM	380.00	50000	10:01:18	SELF	DKB	2000110 1005584 6	10:01:17 AM	380.00	50000	DSQ HOLDING
01-Nov-00	2000110 1005595 4	10:01:18 AM	380.00	50000	10:01:33	SELF	DKB	2000110 1005755 8	10:01:33 AM	380.00	50000	DSQ HOLDING
01-Nov-00	2000110 1005749 8	10:01:32 AM	380.00	50000	10:01:33	SELF	DKB	2000110 1005755 8	10:01:33 AM	380.00	50000	DSQ HOLDING
01-Nov-00	2000110 1005954 8	10:01:51 AM	381.50	50000	10:01:52	SELF	DKB	2000110 1005969 7	10:01:52 AM	381.50	50000	DSQ HOLDING

ix Trades executed with Khandwala Finance Ltd. (Member, NSE)

Trade Date	Buy order number	Buy Time	Buy Price	Buy Qty	Trade Time	Buying Client	Sell Member	Sell order number	Sell Time	Sell Price	Sell Qty	Sell client
21-Feb-00	20000221 0620449	2:12:23 PM	2029.75	25000	14:12:23	Khandwala Securities	DKB	2000022 1062041 8	2:12:22 PM	2029.75	25000	DSQHOLD
21-Feb-00	20000221 0621029	2:12:48 PM	2029.75	25000	14:12:49	Vicco Products	DKB	2000022 1062104 0	2:12:49 PM	2029.75	25000	DSQHOLD
21-Feb-00	20000221 0621947	2:13:29 PM	2029.75	25000	14:13:29	Khandwala Securities	DKB	2000022 1062194 2	2:13:29 PM	2029.75	25000	DSQHOLD

21-Feb-00	200002210622480	2:13:52 PM	2029.75	25000	14:13:55	Khandwala Securities & Vicco Products	DKB	200002210622568	2:13:55 PM	2029.75	25000	DSQHOLD
17-Oct-00	200010170495311	12:49:25 PM	365.50	50000	12:49:26	Khandwala Securities	DKB	200010170495368	12:49:26 PM	365.50	50000	DSQHOLD
17-Oct-00	200010170499269	12:50:54 PM	361.50	25000	12:50:55	Khandwala Securities	DKB	200010170499306	12:50:55 PM	361.50	25000	DSQHOLD
17-Oct-00	200010170500689	12:51:24 PM	360.75	25000	12:51:24	Khandwala Securities	DKB	200010170500713	12:51:24 PM	360.75	25000	DSQHOLD
17-Oct-00	200010170501771	12:51:50 PM	360.25	20000	12:51:52	Khandwala Securities	DKB	200010170501838	12:51:52 PM	360.25	20000	DSQHOLD
22-Nov-00	200011220164658	10:19:33 AM	479.70	50000	10:19:34	DSQ H	DKB	200011220164727	10:19:34 AM	479.70	50000	DSQHOLD

x Trades executed with Classic Shares and stock Broking services Ltd. (Member, NSE)

Trade Date	Buy order number	Buy Time	Buy Price	Buy Qty	Trade Time	Buying Client	Sell TM name	Sell order number	Sell Time	Sell Price	Sell Qty	Sell client code
18-Oct-00	200010180352024	11:24:45 AM	345.00	75000	11:24:48	SELF	DKB	200010180352110	11:24:48 AM	345.00	75000	DSQ HOLDING
18-Oct-00	200010180352791	11:25:06 AM	345.00	25000	11:25:06	SELF	DKB	200010180352775	11:25:05 AM	345.00	75000	DSQ HOLDING
18-Oct-00	200010180353936	11:25:37 AM	344.00	75000	11:25:37	SELF	DKB	200010180353932	11:25:37 AM	344.00	75000	DSQ HOLDING
18-Oct-00	200010180374993	11:35:23 AM	342.15	50000	11:35:23	SELF	DKB	200010180375001	11:35:23 AM	342.15	50000	DSQ HOLDING

xi Trades executed with Premier Shares –(Member, NSE)

Trade Date	Buy order number	Buy Time	Buy Price	Buy Qty	Trade Time	Buying Client	Sell Member	Sell Order No.	Sell Time	Sell Price	Sell Qty	Selling Client
29-Aug-00	200008290198047	10:43:02 AM	713.25	25000	10:43:03	Edmond Securities	DKB	200008290198077	10:43:03 AM	713.25	25000	DSQ Holding
29-Aug-00	200008290222306	10:51:55 AM	712.70	25000	10:51:55	Edmond Securities	DKB	200008290222338	10:51:54 AM	712.70	25000	DSQ Holding

xii. Trades executed with Active Finstock – (Member, BSE)

Trade Date	Buy Order Number	Buy Time	Buy Price	Buy Qty	Trade Time	Buy Client	Seller Member Name	Sell Order No	Sell Order Time	Sell Order Rate	Sell Order Qty	Selling Client
14-Nov-00	3600300010002251	12:28:48	394.95	50000	12:28:49	Mackertich Consultancy Services	DKB	27600200010015511	12:28:48	394.95	50000	DSQ H
14-Nov-00	3600300010002252	12:29:31	394.30	50000	12:29:32	Mackertich Consultancy Services	DKB	27600200010015514	12:29:31	394.3	50000	DSQ H

xiii. Trades executed with Woodstock Securities Ltd- BSE

Trade Date	Buy Order No	Buy Order Time	Buy Order Rate	Buy Order Qty	Trade Time	Buying Client	Sell Member	Sell Order No.	Sell Time	Sell Price	Sell Qty	Selling Client
23-Dec-99	753010044	10:03:15	826.50	50000	10:03:16	HULDA	DKB	276020254	10:03:16	826.5	50000	HULDA
23-Dec-99	753010045	10:04:17	832.00	25000	10:04:17	HULDA	DKB	276020255	10:04:17	832	25000	HULDA
27-Dec-99	753010012	10:50:40	888.00	25000	10:50:40	HULDA	DKB	276020006	10:50:37	888	25000	HULDA
27-Dec-99	753010013	10:51:10	888.50	25000	10:51:10	HULDA	DKB	276020007	10:51:10	888.5	25000	HULDA
28-Dec-99	753010017	10:13:52	869.00	50000	10:13:52	HULDA	DKB	276020017	10:13:52	869.00	50000	HULDA
28-Dec-99	753010018	10:23:58	868.50	50000	10:23:58	HULDA	DKB	276020018	10:23:58	868.50	50000	HULDA
05-Jan-00	753010071	10:32:45	955.00	25000	10:32:46	HULDA	DKB	276020318	10:32:45	955	25000	HULDA
25-Jan-00	753010031	10:18:45	1162.00	10000	10:18:45	HULDA	DKB	276020132	10:18:45	1162	10000	HULDA
15-Feb-00	753010038	11:14:07	1529.00	50000	11:14:07	HULDA	DKB	276020307	11:14:07	1529	50000	HULDA
15-Feb-00	753010039	11:14:26	1529.00	50000	11:14:27	HULDA	DKB	276020308	11:14:27	1529	50000	HULDA
22-Feb-00	753010025	11:40:32	2000.00	35000	11:40:34	HULDA	DKB	276020071	11:40:33	2000	35000	HULDA
23-Feb-00	753010042	10:21:46	2198.00	20000	10:21:47	HULDA	DKB	276020124	10:21:46	2198	20000	HULDA
23-Feb-00	753010045	10:26:41	2205.00	25000	10:26:42	HULDA	DKB	276020126	10:26:41	2205	25000	HULDA
24-Feb-00	753010060	11:33:46	2112.00	25000	11:33:46	HULDA	DKB	276020252	11:33:45	2112	25000	HULDA
29-Feb-00	753010020	11:41:12	1768.00	22000	11:41:13	HULDA	DKB	276020239	11:41:12	1768	22000	HULDA
08-Mar-00	753010069	13:46:08	2492.00	25000	13:46:09	HULDA	DKB	276020245	13:46:08	2492	25000	DSQ HOLDING
08-Mar-00	753010070	13:46:51	2485.00	25000	13:46:52	HULDA	DKB	276020247	13:46:52	2485	25000	DSQ HOLDING
08-Mar-00	753010071	13:47:22	2486.00	10000	13:47:22	HULDA	DKB	276020248	13:47:22	2486	10000	DSQ HOLDING
08-Mar-00	753010072	13:48:07	2493.00	15000	13:48:08	HULDA	DKB	276020250	13:48:07	2493	15000	DSQ HOLDING
09-Mar-00	753010080	10:05:35	2582.00	25000	10:05:35	HULDA&PI LLAYAR	DKB	276020283	10:05:32	2582	25000	DSQ HOLDING
13-Mar-00	753010005	10:44:05	2686.00	17500	10:44:06	HULDA	DKB	276020084	10:44:06	2686	17500	HULDA
26-Apr-00	753010023	10:26:14	994.85	30000	10:26:14	HULDA	DKB	276020319	10:26:13	994.85	30000	DSQ HOLDING
02-Jun-00	75300100000000166	10:37:19	862.25	49000	10:37:20	JAJOO SURESH	DKB	276003000000000161	10:37:20	862.25	50000	DSQ HOLDING
02-Jun-00	75300100000000167	10:39:06	857.00	50000	10:39:06	JAJOO SURESH & SEPPRA	DKB	276003000000000163	10:39:06	857	50000	DSQ HOLDING

02-Jun-00	7530010000 0000168	10:46:23	854.00	23035	10:46:27	HULDA&S URESH	DKB	27600300 00000016 6	10:46:27	854	23035	DSQ HOLDING
14-Jun-00	7530010000 0000360	13:33:34	927.50	50000	13:33:35	HULDA	DKB	27600200 00000516 9	13:33:34	927.50	50000	HULDA

xiv. Trades executed with Millenium Securities Ltd

Trade Date	Buy order No	Buy Order Time	Buy Order Rate	Buy Order Qty	Trade Time	Buying Client	Sell Member	Sell Order No.	Sell Time	Sell Price	Sell Qty	Selling Client
23-Dec-99	140010014	10:05:10	833.00	25000	10:05:11	HULDA	DKB	276020256	10:05:11	833	25000	HULDA
27-Dec-99	140010001	10:37:07	894.50	21000	10:37:07	HULDA	DKB	276020002	10:37:06	894.5	21000	HULDA
05-Jan-00	140010015	10:33:24	952.50	25000	10:33:24	HULDA	DKB	276020319	10:33:21	952.50	25000	HULDA
25-Jan-00	140010023	10:19:50	1165.50	40000	10:19:50	HULDA	DKB	276020133	10:19:50	1165.50	40000	HULDA
10-Feb-00	140010039	11:44:30	1438.00	15000	11:44:32	HULDA	DKB	276020104	11:44:31	1438	15000	HULDA
10-Feb-00	140010040	11:44:49	1438.00	15000	11:44:51	HULDA	DKB	276020105	11:44:51	1438	15000	HULDA
15-Feb-00	140010014	11:15:54	1530.00	25000	11:15:54	HULDA	DKB	276020310	11:15:54	1530	30000	HULDA
22-Feb-00	140010025	11:41:36	2002.00	25000	11:41:37	HULDA	DKB	276020073	11:41:37	2002	25000	HULDA
24-Feb-00	140010056	11:36:38	2110.00	15000	11:36:40	HULDA	DKB	276020257	11:36:39	2110	15000	HULDA
09-Mar-00	140010024	10:06:36	2594.00	25000	10:06:37	HULDA	DKB	276020284	10:06:37	2594	25000	DSQ HOLDING
13-Mar-00	140010001	10:45:19	2676.00	17500	10:45:19	HULDA	DKB	276020087	10:45:19	2676	17500	HULDA
13-Apr-00	140010001	10:01:12	1481.00	25000	10:01:12	HULDA	DKB	276020024	10:01:12	1481	25000	DSQ HOLDING
13-Apr-00	140010002	10:01:42	1476.00	25000	10:01:42	HULDA	DKB	276020025	10:01:41	1476	25000	DSQ HOLDING
13-Apr-00	140010003	10:02:02	1482.00	25000	10:02:02	HULDA	DKB	276020026	10:02:01	1482	25000	DSQ HOLDING
13-Apr-00	140010004	10:02:25	1478.00	25000	10:02:25	HULDA	DKB	276020027	10:02:18	1478	25000	DSQ HOLDING
26-Jun-00	140001000 000000219	10:51:43	949.00	50000	10:51:44	HULDA & SURESH	DKB	276002000 000006238	10:51:43	949	50000	DSQ HOLDING
26-Jun-00	140001000 000000220	10:51:59	949.00	50000	10:52:00	SURESH JAJOO	DKB	276002000 000006239	10:51:59	949	50000	DSQ HOLDING

xv. Trades executed with Omega Equities Pvt Ltd

Trade Date	Buy Order Number	Buy Time	Buy Price	Buy Qty	Trade Time	Buying Client	Sell Member	Sell Order No.	Sell Time	Sell Price	Sell Qty	Selling Client
28-Dec-99	163010008	11:02:52	866.00	25000	11:02:52	HULDA	DKB	276020025	11:02:52	866	25000	HULDA
28-Dec-99	163010009	11:03:08	866.00	25000	11:03:09	HULDA	DKB	276020026	11:03:09	866	25000	HULDA
05-Jan-00	163010027	10:32:16	956.00	25000	10:32:17	HULDA	DKB	276020317	10:32:17	956	25000	HULDA
10-Feb-00	163010135	11:43:43	1438.00	15000	11:43:46	HULDA	DKB	276020102	11:43:46	1438	15000	HULDA
10-Feb-00	163010136	11:43:59	1438.00	15000	11:44:01	HULDA	DKB	276020103	11:44:01	1438	15000	HULDA

15-Feb-00	163010031	11:15:19	1529.00	35000	11:15:19	HULDA	DKB	276020309	11:15:18	1529	35000	HULDA
22-Feb-00	163010045	11:41:05	2001.00	25000	11:41:06	HULDA	DKB	276020072	11:41:06	2001	25000	HULDA
24-Feb-00	163010080	11:36:03	2107.00	10000	11:36:04	HULDA	DKB	276020256	11:36:03	2107	10000	HULDA
28-Feb-00	163010001	09:59:00	1810.00	25000	09:59:01	HULDA	DKB	276020003	09:59:00	1810	25000	HULDA
28-Feb-00	163010002	09:59:38	1811.00	25000	09:59:39	HULDA	DKB	276020004	09:59:39	1811	25000	HULDA
28-Feb-00	163010013	10:52:46	1774.00	25000	10:52:47	HULDA	DKB	276020050	10:52:47	1774.00	25000	HULDA
28-Feb-00	163010027	12:50:16	1786.00	25000	12:50:17	HULDA	DKB	276020133	12:50:16	1786	25000	HULDA
29-Feb-00	163010083	11:40:43	1764.50	25000	11:40:44	HULDA	DKB	276020238	11:40:44	1764.50	25000	HULDA
08-Mar-00	163010030	13:47:40	2487.00	25000	13:47:40	HULDA	DKB	276020249	13:47:40	2487	25000	DSQHOLD
13-Mar-00	163010002	10:44:45	2683.00	15000	10:44:46	HULDA	DKB	276020086	10:44:45	2683	15000	HULDA
13-Apr-00	163010008	9:59:51	1465.00	25000	09:59:51	HULDA	DKB	276020020	9:59:51	1465	25000	DSQHOLD
13-Apr-00	163010009	10:00:10	1463.00	25000	10:00:11	HULDA	DKB	276020021	10:00:10	1463	25000	DSQHOLD
13-Apr-00	163010010	10:00:27	1465.00	25000	10:00:27	HULDA	DKB	276020022	10:00:27	1465	25000	DSQHOLD
13-Apr-00	163010011	10:00:44	1465.00	25000	10:00:44	HULDA	DKB	276020023	10:00:43	1465	25000	DSQHOLD
02-Jun-00	163001000 00000211	10:40:02	857.00	50000	10:40:02	SURES JAJOO	DKB	276003000 00000164	10:40:02	857	50000	DSQHOLD
14-Jun-00	163001000 00000383	13:34:39	929.00	50000	13:34:40	HULDA	DKB	276002000 00005170	13:34:40	929.00	50000	HULDA

xvi. Trades executed with Jayantilal Khandwala – Member, BSE

Trade Date	Buy Order Number	Buy Time	Buy Price	Buy Qty	Trade Time	Buying Client	Sell Member	Sell Order No.	Sell Time	Sell Price	Sell Qty	Selling Client
04-Jul-00	329001000 00001428	11:23:59	975.00	250000	11:24:02	Khandwala Sec- 200000 & DSQ Holding - 50000	DKB	276002000 00006571	11:24:02	975	250000	DSQ Holding,
16-Nov-00	329001000 10003067	10:23:24	441.90	100000	10:23:24	DSQ H	DKB	276002000 10015652	10:23:22	441.9	100000	DSQ Holding,

1.5 The above transactions executed by the Broker in the shares of the company on behalf of its clients with the other stock brokers were matching/synchronized i.e. close proximity in putting buy and sell orders which alleged to be a result of prior arrangement between buyer and seller.

1.6 Instances of few transactions where the Broker had released funds before the pay-out day and the difference between the pay-out day and the date when the payment was made is given below:

Tran Date	Client Name	Exchange	Sold Qty	Amount paid on	Shares Received on	Pay-Out date of Exchange	No. of days in advance	Brokerage %
10/17/00	DSQ HOLDINGS LIMITED	BSE	125000	10/17/00	10/17/00	10/30/00	13	1.05
10/18/00	DSQ HOLDINGS LIMITED	BSE	105000	10/18/00	10/18/00	10/30/00	12	1.01
10/24/00	DSQ HOLDINGS LIMITED	BSE	100000	10/24/00	10/24/00	11/4/00	11	0.83
8/29/00	DSQ HOLDINGS LIMITED	NSE	50000	8/29/00	8/29/00	9/6/00	8	0.64
10/17/00	DSQ HOLDINGS LIMITED	NSE	170000	10/17/00	10/17/00	10/25/00	8	0.62
10/18/00	DSQ HOLDINGS LIMITED	NSE	600000	10/18/00	10/18/00	11/1/00	14	0.94
10/19/00	DSQ HOLDINGS LIMITED	NSE	350000	10/19/00	10/19/00	11/1/00	13	0.87
10/20/00	DSQ HOLDINGS LIMITED	NSE	200000	10/20/00	10/20/00	11/1/00	12	0.85
10/27/00	DSQ HOLDINGS LIMITED	NSE	200000	10/27/00	10/27/00	11/8/00	12	0.84
10/31/00	DSQ HOLDINGS LIMITED	NSE	30000	10/31/00	10/31/00	11/8/00	8	0.62
8/1/00	HULDA PROPERTIES	NSE	70000	8/1/00	8/1/00	8/9/00	8	0.64

1.7 In the above facts and circumstances, it has been alleged that the Broker has prima facie violated the provisions of Regulation 4 (a), (b), (c) and (d) of the FUTP Regulations, Clauses A(1) to (5) of Schedule II A of the Code of Conduct as specified in the Broker Regulations and Rule 3(d), 4 (b), 4 (e) of Chapter IV of Rules of NSE and Regulations 4.5.1, 4.5.2 (a) and (b), 4.5.4 (c) and 4.6.2 of Regulations of NSE, Bye Law 357 (ii) of BSE.

2.0 APPOINTMENT OF ENQUIRY OFFICER

2.1 On completion of investigations, SEBI appointed an Enquiry officer vide order dated May 13, 2003 under regulation 5(1) of Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 (hereinafter referred to as the Enquiry Regulations) to enquire into the alleged violations

committed by the Broker as mentioned above while dealing in the shares of the company.

- 2.2 Accordingly, a notice dated June 18, 2003 was issued to the Broker asking it to show cause as to why recommendations under Regulation 13 (1) of the Enquiry Regulations should not be imposed against it. The copy of the proceedings in respect of the appointment of the Enquiry Officer and the findings of the investigation were also forwarded to the Broker with the said show cause notice. The Broker made its submissions before the Enquiry Officer. The Enquiry Officer in his report dated January 16, 2004 observed that the Broker has violated regulations 4(a), (c) and (d) of the FUTP Regulations, Clauses A (1) to (5) of the Code of Conduct specified in Schedule II of the Broker Regulations, Rule 4(d) & (e) of NSE Rules, Regulations 4.5.4 (c) and 4.6.2 of NSE Regulations and bye laws 356 and 357 of BSE Bye laws. However, the Enquiry Officer did not recommend any penalty against the Broker as he had already recommended a major penalty of the suspension of the certificate of registration of the Broker for a period of two years in a different proceedings in respect of similar violations.

3.0 CONSIDERATION OF ISSUES AND FINDINGS

- 3.1 Pursuant to the Enquiry Report, a notice dated January 25, 2005 was issued to the Broker asking it to show cause as to why appropriate action should not be taken against it. A copy of the Enquiry Report was also forwarded to the Broker with the said show cause notice. The Broker vide letter dated February 15, 2005 referred its earlier

letters dated June 18, 2003, August 18, 2003, and November 17, 2003 and further stated that it had ceased to conduct stock broking activities in India since August 2001. The Broker requested SEBI to drop all the charges leveled against it. The Broker in its reply dated August 18, 2003 (to the Enquiry Officer) inter alia stated that it had acted only as per the instruction of his clients DSQ Holding, Hulda and DSQ Industries Ltd. The Broker clarified that it was not aware of the counterparty client and that it had no intention to manipulate the securities market so as to attract the provision of 4(a) of the FUTP Regulations. The Broker added that its trades did not adversely effected the price of the shares of the company. The Broker clarified that as the payments were done only after the shares were credited to its depository securities account and after the said shares were sold in the market. Therefore, there was no possibility of defaulting by the Broker. The Broker added that it had not indulged in any act which was calculated to create a false and misleading appearance in the market. It further stated that it had not violated Regulations 4(a) (c) and (d) of the FUTP Regulations. The Broker also contended that it had not violated the rules and regulations of the exchange. The Broker added that it could not be said that it had entered into fictitious transactions or knowingly entered into transactions which would not involve any change of ownership. The Broker added that it had not violated the Rules and Regulations of NSE and BSE. Further it clarified that the payment of funds to its clients prior to the pay out was in accordance of laws of India

- 3.2 I note that the Broker had executed substantial trades in the shares of the company which were matched (in respect of time, quantity and

price) with the orders made by the counter party brokers. In the process, the Broker had allowed its clients to execute trades at a pre determined price and time and thereby impaired the market integrity by entering into trades which were alleged to have been non genuine. Inter alia in view of the above, I observe that the Broker has prima facie violated the provisions FUTP Regulations, the Broker Regulations and the Rules and Regulations of the Stock Exchanges as mentioned above.

- 3.3 Accordingly a notice dated January 3, 2006 was issued to the Broker asking it to show cause as to why its certificate of registration should not be cancelled. The Broker vide letter dated January 19, 2006 inter alia stated that it relied upon the submissions made in its reply and its written submissions (made before the Enquiry Officer) and further requested to drop the proceedings.
- 3.4 An opportunity of hearing was also granted to the Broker on September 14, 2006. Shri Shuva Mandal, Advocate appeared and made submissions on behalf of the Broker. The learned advocate made submissions on the lines of the written submissions made by the Broker vide letter dated November 17, 2003 (to the Enquiry Officer) and further stated that the Broker had not preferred any appeal against the order dated April 29, 2004, whereby SEBI had suspended the certificate of registration of the Broker for a period of eighteen months (in respect of the earlier penalty imposed by the Enquiry Officer in the present case, as mentioned in para 2.2). The learned advocate also submitted that the Broker had already applied for the surrender of the certificate of registration.

- 3.5 I have considered the investigation report, the Enquiry Report, the show cause notices dated January 25, 2005 and January 3, 2006, the replies / written submissions filed on behalf of the Broker (as stated above), the oral submissions made on behalf of the Broker and other material available on record. The Broker has not disputed the transactions executed for its clients in the shares of the company.
- 3.6 In the facts and circumstances, the issues emerge for consideration is whether the Broker, by executing substantial number of synchronized trades in the shares of the company as mentioned above, had violated the provisions of the FUTP Regulations, the Broker Regulations and the Rules and regulations of BSE and NSE as observed by the Enquiry Officer and also as mentioned in the show cause notice dated January 03, 2006.
- 3.7 The main contention put forward by the Broker in its reply dated August 18, 2003 to the Enquiry Officer was that by executing the trades on behalf of its clients it had not breached any securities laws of India. In its written submissions dated November 17, 2003, the Broker had admitted that in some instances it was aware of the identity of the counter party stock brokers who used to purchase the shares of the company. Further, the Broker stated “there was a pre arrangement and in some cases knew the identity of the counter party buying broker”. “DrKWSI would agree that it would appear that the intention of the clients of DrKWSI may have been malafide and there is a possibility that they are guilty of market manipulation, but as there was no trigger event

that could draw DrKWSI attention to the possibility of market manipulation there was not way for DrKWSI to suspect the same.”
The aforementioned DrKWSI is none other than the Broker itself.

- 3.8 It is an admitted fact that the clients of the Broker who were none other than the associates of the company were introduced to the Broker by the employees of the associates of the company.
- 3.9 I note that the Broker had executed substantial number of synchronized trades in the shares of the company with various stock brokers as mentioned in the tables at para 1.4 , regularly and continuously since October 1999 to March 2001 (except September 2000 and December 2000). The Broker was executing sell orders during the above period and, I, observe that both the buy orders and sell orders were placed almost at the same time (in majority of the trades), with just a difference of few seconds. The continuity and the consistency with which the said trades were executed by the Broker on behalf of its clients in the shares of the company cannot be a matter of coincidence, considering its nature (the price, quantity and time) and its recurrence in a row. The said proximity in the placing of orders at the same price and for the same quantity almost at the same time resulted in the matching of the aforesaid transactions, with all the ingredients i.e. quantity, price and the time, required to conclude the trades.
- 3.10 In this context, the relevant statements made by the Broker to the investigating authority of SEBI on July 05, 2002 are quoted below :

“ Q. Who are your clients that are connected with the DSQ Software / promoters of DSQ Software Ltd.

Ans. Our clients connected with the promoters of DSQ Software Ltd, were Hulda Properties and Trades Ltd., DSQ Industries Ltd. and DSQ holdings Ltd. These entities are related to Shri Dinesh Dalmia and his associates. Dinesh Dalmia is a director in DSQ Industries and DSQ Holdings. The general manager of DSQ Software – Mr. Annamalai introduced Hulda Properties to DKB”

“ Q. Who introduced DSQ Holdings, DSQ Industries and Hulda Properties & Trades Ltd. to you?

Ans . The Secretary of Dinesh Dalmia – Shri Soumyan approached Mr Gopinath of DKB Sec in Feb 1999 and enquired about whether DKB can make spot payment for any sale of shares done at our end. Souyman also mentioned that same spot transaction business was being done by UTI Securities for the DSQ Group. He sent a proposal which was then approved by Mr Christopher Barrow, Md of DKB (India) at the relevant time, after consultations with Dinesh Dalmia after which R Ramachandran, Uday Chauhan and P Gopinath were designated dealers for executing transactions for these clients of DSQ Group - Hulda Properties and Trades Ltd., DSQ Industries Ltd. and DSQ holdings Ltd.. All the necessary formalities were completed by DKB to start the business for these clients sometime in march 1999 with the approval of Paul Bailey and Ian King belonging to the Credit Department in London and Mario Malt who was head of equities in Asia at that time and Christopher Barrow”.

Q “Who was placing orders on behalf of DSQ Holdings Ltd., DSQ Industries Ltd. and Hulda Properties & Trades Ltd. How were the orders placed?

Ans. 3 people namely – Mr Souyman, Mr Govind (Personal Assistant to Dinesh Dalmia) and Mr Annamalai, General Manager, Finance of the DSQ group of Companies used to place orders with any one of R Ramachandran, Uday Chauhan and P Gopinath on behalf of DSQ Holdings Ltd., DSQ Industries Ltd. and Hulda Properties & Trades Ltd.

The orders were given on phone during the trading sessions of the market. Souyman, Govind used to call from Chennai. Mr Annamalai used to call from Mumbai. His last known address is 3rd Floor, Unit 7, Marathe Udyog Bhavan, Appasaheb Marathe Marg, Prabhadevi, Mumbai and phone nos. 022 -5426381 (R)

We executed only sale transactions for the above clients. One of these 3 persons used to call the anyone of us to inform about the prior credit of shares of DSQ software into the pool account of DKB. The same was then confirmed by one of us with our back office and after verifying the credit of shares in our demat account , we used to execute the sale transactions for the quantity of shares specified by the persons placing the orders for sale at the market price. Our execution was dependant on stock being received in our demat account”.

Q. “Could you name such brokers who used to call upon you as wells the name of the person who used to call on behalf of such brokers

Ans I remember one incident when one of the 3 DSQ group of people named above called up on telephone and said that Mr Jatin Khandwala from Khandwala Finance will call and buy a certain number of shares from you. Mr Jatin called and we sold the shares to him. Similarly, one Mr Anand from Smifs securities, Mumbai did call us a few times”.

Q.” I am showing you order log and trade log of NSE. It is seen from the order log and trade details of the exchange that on 9-Mar-00 DKB Securities placed an order for sale of 25000 shares of DSQ Software on behalf of DSQ Holding @ Rs. 2583.00 at 10:09:32. This sale order got matched with the buy orders of Hulda Properties , which was placed through member Woodstock Broking for 25000 shares @ Rs. 2583.00 at 10:09:32. The buy and sell orders were placed at the same time. Since the buy and sell order have been put almost at the same time and also there is exact matching in the quantity and rate, it is clear that these orders were synchronised and were put with a view to match with prior understanding between buying and selling client. Do you confirm this.

A At the time of executing the transactions, we were not aware of the counter party client who was buying the shares. Only in few instances, we used to know to the counterparty brokers who used to buy the stocks from us since the persons placing the order used to mention to us that someone from a particular broking outfit will call you at a specific time for buying the shares. The understanding with the DSQ group is that the shares will be sold in the market only to the person / counter party buying brokers specified by one of the 3 persons mentioned above to whom we had to sell the shares. The person / counter party brokers used to call us giving reference of one of 3 contact persons of DSQ group and asked us to punch a sale order for pre-specified quantity at a particular price immediately."

3.11 From the above, it is needless to say that the Broker had sufficient knowledge about the intended trades well in advance and accordingly, the trades were executed as per the specific instructions received from its clients with specified counter party brokers, as per the aforesaid understanding. I note that in most of the trades the parties (buying and selling) were the associates of the company and it appears that there was no change in the beneficial ownership of shares. In the given circumstances, considering the nature of the trades (uniformity in time, quantity and price etc.), the parties involved and the execution of trades as per the prior understanding, it can not be said that the trades executed by the Broker were genuine. The series of trades in the form of synchronized trades would only lead to the finding that the said trades executed by the Broker were done with the purpose of manipulating the volume in the shares of the company to the detriment of the gullible investors. The said concerted level of activity and that too continuously for a period of about eighteen months is only compatible with the purposes of manipulating the securities market on the part of the Broker.

3.12 The statement of the Broker that the understanding with the DSQ group was that the shares would be sold in the market only to the person / counter party buying brokers specified by one of the 3 persons mentioned above (Shri. Soumyan, Shri. Govind (Personal Assistant to Shri Dinesh Dalmia) and Shri. Annamalai, General Manager, Finance of the DSQ group of Companies- employees of the DSQ group) and that the counter party brokers used to call the Broker giving reference of one of 3 contact persons of DSQ group, besides asking the Broker to punch a sale order for pre-specified quantity at a particular price immediately, would certainly prove that the transactions were matched for a specific purpose and only with specified brokers. The peculiar nature of the trades executed by the Broker and the modus operandi by which the said trades were executed, coupled with the admission of the Broker would demonstrate that the said transactions were the outcome of a predetermined and planned action. The Broker allowed its clients, who were none other than the associates of the company, to trade in the shares of the company substantially, thereby enabling them to create an artificial volume and misleading appearance of trading in the shares of the company.

3.13 As observed by the Hon'ble Securities Appellate Tribunal (SAT) in the matter of Ketan Parekh Vs SEBI.

“The word ‘synchronise’ according to the Oxford dictionary means “cause to occur at the same time; be simultaneous”. A synchronized trade is one where the buyer and seller enter the quantity and price of

the shares they wish to transact at substantially the same time. This could be done through the same broker (termed a cross deal) or through two different brokers. Every buy and sell order has to match before the deal can go through. This matching may take place through the stock exchange mechanism or off market. When it matches through the stock exchange, it may or may not be a synchronised deal depending on the time when the buy and sell orders are placed. As already observed 'synchronisation' or a negotiated deal ipso facto is not illegal. A synchronised transaction will, however, be illegal or violative of the Regulations if it is executed with a view to manipulate the market or if it results in circular trading or is dubious in nature and is executed with a view to avoid regulatory detection or does not involve change of beneficial ownership or is executed to create false volumes resulting in upsetting the market equilibrium..... Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available.The nature of the transaction executed the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn."

- 3.14 Synchronized deals involving interplay of market forces, pre supposes the active participation of the Broker. In the present case, the Broker was directly involved in executing the trades as per the specific instructions of the authorized persons (in that behalf) of the associates of the company. Admittedly, the Broker was supposed to sell the shares of the company only to certain specified persons as instructed by the said authorized persons. Admittedly, the Broker was executing trades which were in the nature of synchronized / matching transactions (with the prior instructions) in the shares of the company. The same would prove the direct participation of the Broker in the entire transactions that took place in the shares of the company (as stated above) for the purpose of giving a misleading appearance of trading in the market and thereby artificially increasing the volume/ price of the said shares.
- 3.15 SAT in the matter of Nirmal Bang Securities (P) Ltd. vs. SEBI has observed:

“BEB has been charged for synchronized deals with First Global. I have examined the data provided by the parties on this issue. I find many transactions between BEB and FGSB. There are many instances of such transactions. I find the scrip, quantity and price for these orders had been synchronized by the counter party brokers. Such transactions undoubtedly create an artificial market to mislead the genuine investors. Synchronized trading is violative of all prudential and transparent norms of trading in securities. Synchronized trading on a large scale can create false volumes. The

argument that the parties had no means of knowing whether any entity controlled by the client is simultaneously entering any contra order elsewhere for the reason that in the online trading system, confidentiality of counter parties is ensured, is untenable. It was submitted by the Appellants that it was not possible for the broker to know who the counter party broker is and that trades were not synchronized but it was only a coincidence in some cases. Theoretically this is OK. But when parties decide to synchronize the transaction the story is different. There are many transactions giving an impression that these were all synchronized, otherwise there was no possibility of such perfect matching of quantity price etc. As the Respondent rightly stated it is too much of a coincidence over too long a period in too many transactions when both parties to the transaction had entered buy and sell orders for the same quantity of shares almost simultaneously. The data furnished in the show cause notice certainly goes to prove the synchronized nature of the transaction which is in violation of regulation 4 of the FUTP Regulations. The facts on record categorically establish that BEB had indulged in synchronized trading in violation of regulation 47 of the FUTP Regulations. In a synchronized trading intention is implicit.”

- 3.16 I note that in majority of the trades, the buying and selling clients were the associates of the company and the trades were executed primarily with a view to artificially increase the trading volumes in the scrip of the Company. Artificial increase in the volumes of scrip has the adverse effect on the innocent investors of the market who get induced to buy the shares because they rarely have knowledge about the scrip.

- 3.17 In this context, the observation made by SAT in the matter of Ketan Parekh vs. SEBI is quoted below :

“When a person takes part in or enters into transactions in securities with the intention to artificially raise or depress the price he thereby automatically induces the innocent investors in the market to buy / sell their stocks. The buyer or the seller is invariably influenced by the price of the stocks and if that is being manipulated the person doing so is necessarily influencing the decision of the buyer / seller thereby inducing him to buy or sell depending upon how the market has been manipulated. We are therefore of the view that inducement to any person to buy or sell securities is the necessary consequence of manipulation and flows therefrom. In other words, if the factum of manipulation is established it will necessarily follow that the investors in the market had been induced to buy or sell and that no further proof in this regard is required. The market, as already observed, is so wide spread that it may not be humanly possible for the Board to track the persons who were actually induced to buy or sell securities as a result of manipulation and law can never impose on the Board a burden which is impossible to be discharged.”

- 3.18 A cumulative analysis of the facts of the case, clearly indicate that the Broker did not act in a bonafide manner. On the contrary, the above facts highlight its complete involvement in the creation of misleading market in the shares of the company and the creation of artificial volume and price in the said shares.

3.19 I note that the trades of the Broker undoubtedly create an artificial market to mislead the genuine investors and the said transactions create false volumes. It is too much of a coincidence over too long a period in too many transactions when the same stock broker had entered into synchronized trades with other stock brokers for the same quantity of shares almost simultaneously. The Broker failed to exercise due skill, care and diligence which was expected from a prudent stock broker who had a duty not only towards its client but also towards the securities market. On the other hand the Broker continued to execute such trades. I note that the Broker was a necessary party to the transactions giving rise to artificiality in the market. Instead of exercising caution, the Broker had executed large number of synchronized trades with prior knowledge and specific instructions and thereby, the Broker was instrumental in creating artificial volumes and price in the shares of the company.

3.20 I note that during the relevant period, the shares of the company were highly liquid and that the liquidity in trading implies amount of activity in such shares wherein a considerably large number of buyers and sellers execute trades. In such a situation where the participants are numerous, it is almost improbable to get a stock broker's trades executed always with the same counter party stock broker, unless, the said stock broker is in collusion with the counter-party stock broker and the client. Further, a higher volatility means that a security's value can potentially be spread out over a larger range of values. This means that the price of the security can change dramatically over a short time period in either direction. In such a scenario where the price fluctuates in each second, it is almost impossible for the client to

give a price range which would only match with a particular counter-party stock broker at a particular quantity. In most of the transactions, both the buying and selling client was connected/ associated with the company which, coupled with the longer period of association between the clients and the Broker and the statement of the Broker clearly establishes that the Broker was a party to the ongoing market manipulation. The Broker had misused the screen based trading by executing such fictitious trades on the stock exchange.

3.21 The provisions of Regulation 4 of the said Regulations is reproduced hereinbelow for the sake of reference.

“No person shall -

- (a) effect, take part in, or enter into, either directly or indirectly, transactions in securities, with the intention of artificially raising or depressing the prices of securities and thereby inducing the sale or purchase of securities by any person;
- (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.
- (e) pay, offer or agree to pay or offer, directly or indirectly, to any person any money or money's worth for inducing another person to purchase or sell any security with the sole object of inflating, depressing, or causing fluctuations in the market price of securities”.

- 3.22 I note that the trades executed by the Broker on behalf of its clients (the associates of the company) in the shares of the company created artificial price in the shares of the company and resulted in the reflection of prices of securities of the company based on transactions which were not genuine and which affected the unsuspecting investors. As the clients of the Broker and the counter party clients (in various trades) were associates of the company it can be said that they did not intend to effect the transfer of the beneficial ownership but only intended to operate only as a device to inflate, depress, or cause fluctuations in the market price of securities.
- 3.23 The contention of the Broker that it was not aware of the counter party clients will not hold good in the facts and circumstances of the case. The issue is whether the Broker had executed synchronized trades so as to affect the price/volume mechanism of the stock exchanges. Admittedly, the Broker had knowledge about the intended transaction and there was a specific understanding between the Broker and its clients to sell the shares only to the specified people and accordingly, the Broker executed trades pursuant to the said understanding.
- 3.24 The contention of the Broker that it was not involved in the manipulation will not hold good as it was aware of the intended trades (well in advance) which were executed according to the plan evolved by the people who were connected to the company with the help of certain other brokers. Proof of manipulation almost always depends on inferences drawn from a mass of factual details. Findings must be gathered from patterns of trading data and the nature of the

transactions etc. Several circumstances of a determinative character coupled with the inference arising from the conduct of the parties in a major market manipulation could reasonably lead to conclusion that the Broker was responsible in the manipulation. The evidence, direct or circumstantial, should be sufficient to raise a presumption in its favour with regard to the existence of a fact sought to be proved. As pointed out by Best in “Law of Evidence”, the presumption of innocence is no doubt *presumptio juris*; but everyday practice shows that it may be successfully encountered by the presumption of guilt arising from circumstances, though it may be a presumption of fact. Since it is exceedingly difficult to prove facts which are especially within the knowledge of parties concerned, the legal proof in such circumstances partakes the character of a prudent man’s estimate as to the probabilities of the case. In this regard, SAT has observed in the matter of Ketan Parekh Vs. SEBI :

“..... Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available.”

- 3.25 Presumption plays a critical role in coming to a finding as to the involvement or otherwise of a market participant in any manipulation. For instance, while trading, a lip service can be paid to a screen based trading system while agreement is reached beforehand between brokers to effect the transaction. Anonymity can be a cloak to cover anastomosis of interest. Therefore, the hackneyed plea based on

intentions in the market place can not pass muster in all circumstances, more so when such intentions are in the special / peculiar knowledge of the parties to the transactions.

3.26 In the facts and circumstances, it is fairly established that the Broker had violated the provisions of Regulations 4(a), (c) and (d) of the FUTP Regulations.

3.27 The natural corollary to this issue is whether the Broker had maintained high standards of integrity, promptitude, fairness and exercised due skill, care and diligence in the conduct of its business and whether the Broker was involved in the manipulation/ malpractices as mentioned in the Code of Conduct specified in Schedule II of the Broker Regulations. In terms of the Code of Conduct, inter alia the Broker shall not create false market or indulge in any act detrimental to the investors' interest or which leads to the interference with the fair and smooth functioning of the securities market and shall not indulge in manipulating, fraudulent or deceptive transactions inter alia with a view to distort the market equilibrium. The trades (including the synchronized trades for the associates of the company) executed by the Broker as explained in detail above would prove that the said trades in the shares of the company created a misleading appearance in the market and further created artificial volume and price in the said shares by vitiating the price movement mechanism prevailing in the securities market. It further shows that the Broker had not exercised due skill, care and diligence and not maintained high standards of integrity, promptitude, fairness in the

conduct of its business. The Broker failed to substantiate its claim that it did to indulge in the manipulation of the shares of the company.

3.28 In the facts and circumstances, it is established that the Broker had violated Clauses A (1) to (4) of the Code of Conduct as specified in Schedule II of the Broker Regulations.

3.29 The Broker admittedly made immediate payments to its clients while the settlement obligation at the stock exchange was later discharged by the Broker instead of the seller. In the circumstances, it can be reasonably concluded that the Broker was providing immediate funds to its clients and to secure the repayment of the said funds the Broker was putting the sale transactions on their behalf through the stock exchange mechanism. It is admitted by the Broker that the brokerage charged by it depended to a limited extent on the difference between the number of days from the Broker's payment of the sale proceeds to the clients and the actual receipt of funds by the Broker pursuant to the pay-out in the relevant stock exchange. Therefore, the plea that the Broker had not derived any benefit from the sale transactions executed on behalf of the clients, does not hold good, particularly in view of the fact that the Broker was ensuring repayment of funds advanced by it to the clients. Further, it can reasonably be inferred that to secure the repayment from the clients, the Broker used stock exchange trading mechanism (which guarantees the trades), by putting up sale transactions on the exchange which were at once non genuine and artificial. In the process, the Broker was placing the system under severe risk as came to be starkly witnessed in Calcutta Stock Exchange Association Ltd. (CSE) on account of failure of the

same DSQ Group entities at CSE in March 2001. It is a really a measure of the enormity of risk on the Exchange Settlement mechanism at BSE./NSE as well which the Broker in the instant case by his reckless conduct has entailed.

- 3.30 Broker had released funds before the pay-out and the difference between the pay –out and the date when the payment was made is already given in the table at para 1.6. I note that, BSE, vide its Circular no. 5638/96 dated October 1, 1996, taking note of the transactions which were basically in the nature of funding / financing transactions, advised its member brokers that such transactions were not considered genuine trade / commercial transactions between the members and mentioned that such transactions would also fall within the ambit of fictitious transactions. It was further advised that serious view shall be taken against those members who were found to be involved in such transactions. Further, BSE vide its subsequent notice no. 80626/2001 dated March 17, 2001, once again advised its members, not to enter into such transactions and has warned the members concerned of strict disciplinary action in case of any such violation, besides, annulment of such transactions and non availability of Trade Guarantee Fund cover etc. The Broker having provided finance to the entities under the garb of trading / sale transactions, has violated the above said directives of BSE, as the transactions executed by the Broker on behalf of the clients, amounted to “fictitious transactions. In the present case the buying and the selling clients (in majority of the trades) were connected to the company. If the client failed to comply with the transaction obligations it would jeopardize the stock exchange mechanism.

3.31 By-law 357 of BSE prohibits unbusinesslike conduct of its members. As the Broker has found involved in the manipulation of the shares of the company, it had violated BSE circulars dated October 1, 1996 and March 17, 2001, while the transactions amount to fictitious transactions. By virtue of violating the said circulars, the Broker is guilty of misconduct as defined under bye-law 356. Further such fictitious dealings on the part of the Broker amounted to unbusiness like conduct on their part as defined in clauses (ii) of Bye law 357 of BSE.

3.32 It has been alleged that the Broker had violated the Rules 4(b) and 4(e) of NSE Rules and Regulation 4.5.4 (c) and 4.6.2 of NSE Regulations. The said rules and regulations are quoted below for the sake of reference :-

- i. **Rule 4(b): *Fictitious Dealings*** - If it makes a fictitious transaction or gives an order for the purchase or sale of securities the execution of which would involve no change of ownership or executes such an order with knowledge of its character.
- ii. **Rule 4(e): *Market Manipulation and Rigging*** - If it, directly or indirectly, alone or with other persons, effects series of transactions in any security to create actual or apparent active trading in such security or raising or depressing the prices of such security for the purpose of including purchase or sale of such security by others.
- iii. **Regulation 4.5.4 (c):** A Trading Member shall not:
 - 1. make bids and/or offers for securities with an intention of creating a false or misleading appearance with respect to the market for, or the price of any security or;

2. make a transaction or give an order for the purchase or sale of securities, the execution of which would involve no change of beneficial ownership, unless the Trading Member had no knowledge that the transaction would not involve a change in the beneficial ownership of securities.

iv. **Regulation 4.6.2:** No Trading Member shall,

- (a) for the purpose of creating or inducing a false or misleading appearance of activity in an eligible security or creating or inducing a false or misleading appearance with respect to the market in such security.
- (b) enter any order or orders for the sale of such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price for the purchase of such security has been or will be entered by or for the same or different parties.

3.33 From the facts found above, it is seen that the Broker executed huge transactions in the shares of the company on behalf of its clients which created the picture of active trading in the said shares and also led to creation of false volumes and false market. Such transactions were executed by the Broker with the actual knowledge of the trade plan behind it. The same also brought about a condition which did not fairly reflect the market values. The conduct of the Broker amounted to unbusinesslike conduct in terms of Rule 4(d) & (e) of NSE Rules and Regulations 4.5.4 (c) and 4.6.2 of NSE Regulations.

3.34 Therefore, it is fairly established that the Broker has also violated Rule 4(d) & (e) of NSE Rules, Regulations 4.5.4 (c) and 4.6.2 of NSE

Regulations and bye laws 356 and 357 of BSE Bye laws while dealing with the shares of the company for its clients as the Broker had violated the provisions of the FUTP regulations, the Broker Regulations and the rules and regulations of the stock exchanges as mentioned above it has also violated Clause A (5) of the Code of Conduct specified in the Broker Regulations.

3.35 In the facts and circumstances it is fairly established that the Broker has violated regulations 4(a), (c) and (d) of the FUTP Regulations, Clauses A(1) to (5) of the Code of Conduct specified in the Broker Regulations, Rule 4(d) & (e) of NSE Rules , Regulations 4.5.4 (c) and 4.6.2 of NSE Regulations and bye laws 356 and 357 of BSE Bye laws while dealing with the shares of the company for its clients. The broker failed to justify its conduct.

3.36 I also note that SEBI vide order dated April 29, 2004 suspended the certificate of registration for a period of eighteen months for similar violations. During the time of the hearing, it was submitted that the Broker had not preferred any appeal against the said order. The Enquiry Officer has chosen not to recommend imposition of any further penalty on the Broker in view of the recommendation by him to penalize them for similar violations in the transactions in the shares of the company, DSQ Biotech, Global Tele etc. with KP entities. The instant proceedings deals with manipulations in the shares of the company in close liaison with the promoter group themselves namely DSQ Holdings Ltd., DSQ Industries Ltd and Hulda. This distinguishing feature has been brought out by the Enquiry Officer while explaining the scope of the present enquiry. The analysis of synchronized trades

executed with different members as vividly brought out in para 1.4 provides an insight into an extra dimension of the enormity of the market misconduct on the part of the Broker. The present case is different from the transaction with the KP entities, in as much as the Broker joined hands with the promoter group themselves through synchronized trades in creating artificial volume and in jacking up the prices of the shares of the company. Though the complicity of the Broker in the present set of transactions in the shares of the company in concert with the DSQ group entities may be of a piece with whatever has been established in connection with the enquiry relating to transactions with KP group, the facts of the instant case, while reiterating the continuing streak of complicity, add yet another serious dimension to an otherwise egregious market misconduct on the part of the Broker. In such circumstances, the escalating gravity in different manifestations of market misconduct needs an independent and serious appraisal rather than the benefits of telescoping, as viewed by the Enquiry Officer. In that view of the matter, having regard to the facts of the case, as set out in the present proceedings, I am of the considered view that the case calls for a more stringent penalty than what has been considered by the Enquiry Officer in an act of dovetailing the intractable exacerbation in a burgeoning scale.

4.0 ORDER

- 4.1 In view of the foregoing, I, in exercise of the powers conferred upon me in terms of Section 19 of the Securities and Exchange Board of India Act, 1992 read with regulation 13(4) of Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and

Imposing Penalty) Regulations, 2002, hereby impose a major penalty of cancellation of certificate of registration of Dresdner Kleinwort Wassertein Securities (India) Private Limited (Formerly Known as Dresdner Kleinwort Benson Securities (India) Limited), Member, National Stock Exchange of India Ltd. and the Bombay Stock Exchange Ltd. (Registration nos. INB 010706833 and INB 230706837)

- 4.2 This order shall come into force immediately on the expiry of 21 days from the date of this order.

G ANANTHARAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

Place: Mumbai

Date: 26/04/2007