WTM/RKA/IVD/ID-4/40 /2012

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: RAJEEV KUMAR AGARWAL, WHOLE TIME MEMBER
ORDER

Under Sections 11, 11(4) and 11 B of the Securities and Exchange Board of India Act, 1992 read with Regulation 11 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

In the matter of Bang Overseas Limited, Confidence Petroleum India Limited and Cals Refineries Limited

In respect of Ms. Anita Deepak Dalal (PAN: AAEPD9039Q)

Date of hearing: February 29, 2012

Appearances:

For Noticee: Ms. Anita Dalal, and
Ms. Shailashri Bhaskar.

For SEBI: Mr. Santosh Kumar Shukla, Joint Legal Adviser
Mr. Siddhesh Lotlikar, Assistant General Manager
Mr. Amitesh Kumar Kumar, Assistant Legal Adviser, and
Mr. Benoy Melshiyar, Assistant Legal Adviser.

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1. Securities and Exchange Board of India ('SEBI') during routine market surveillance observed synchronized deals in the scrips of Temptation Foods Limited, Bang Overseas Limited (*'Bang'*), Confidence Petroleum India Limited *('Confidence')*, Cals Refineries Limited *('Cals')* and Shree Precoated Steels Limited (presently known as Ajmera Realty & Infra India Limited) (hereinafter collectively referred to as 'the five scrips'). On examination of the trade data relating to the five scrips, inter-linkages between certain entities (hereinafter collectively referred to as the '*connected clients*') dealing in the five scrips were noticed in the form of off-market and market transactions including synchronized deals.

2. During the preliminary investigation, the *'connected clients'* were found to be having large trading concentration in the five scrips and a substantial portion of their trading amongst themselves in synchronized nature was found to have contributed to the increase in the market volume. In view of the same, SEBI vide an *ad interim ex-parte* order dated June 04, 2009 restrained certain *'connected clients'* from accessing the securities market and further prohibited them from buying, selling or dealing in the securities market, directly or indirectly, till further directions. Ms. Anita Deepak Dalal was not covered in the said order.

3. SEBI completed the investigation into the trading in the shares of *'Bang'* for the period March 01, 2008 to February 28, 2009, *'Confidence'* for the period January 01, 2008 to February 28, 2009 and *'Cals'* for the period June 01, 2008 to February 28, 2009 and found that Ms. Anita Deepak Dalal was involved in creating artificial volumes in the scrips of *'Bang', 'Confidence' and 'Cals'* . Thereafter, SEBI issued a show cause notice (SCN) dated July 26, 2011 to Ms. Anita Deepak Dalal ('the noticee') under sections 11, 11(4) and 11B of the SEBI Act, 1992 read with Regulation 11 of SEBI (Prohibition of Fraudulent Unfair Trade Practices relating to Securities Market) Regulations, 2003 ('PFUTP Regulations') with respect to her trading in the scrips of *'Bang', 'Confidence' and 'Cals'*. The SCN alleged that the noticee had executed reversed trades, self trades and synchronized trades with *'connected clients'*, which resulted in the creation of artificial volumes in the scrips of *'Bang', 'Confidence' and 'Cals'*. The acts of the noticee were, thus, alleged to be in violation of regulations 3(a), (b), (c) and (d) and 4(1), 4(2) (a) and (g) of the PFUTP Regulations and section 12A(a), (b) and (c) of the SEBI Act.

4. The noticee, vide letters dated August 30, 2011 and January 10, 2012 replied to the SCN and sought an opportunity of personal hearing. Accordingly, an opportunity of personal hearing was granted to the noticee on February 29, 2012 when she along with her authorized representatives appeared before me and made submissions.

5. The submissions of the noticee *inter alia* are as under:
   a. The order dated June 04, 2009 is grossly silent in so far as her trades were concerned and did not even define her as *'connected client'*. She does not have any relation/connection with any of the entities referred to as *'connected entities'*.
   b. As regards her off market transactions, she had entered into only one off market transaction for only 599 shares of *'Bang'* from Chandra Financial Services Pvt. Ltd.('Chandra'). The said shares were returned back to Chandra within 5 days. This was the loan transaction which had taken place in normal course of business.
   c. She had traded for 11,05,764 shares of *'Bang'*, 76,80,808 shares of *'Cals'* and 26,25,592 shares of *'Confidence'*, respectively during the investigation period through her brokers Chandravadan J. Dalal ('C. J. Dalal'), IL&FS Investsmart Securities Ltd., Krishvi Securities Pvt. Ltd. ('Krishvi') and Kotak Securities Ltd.
   d. She is director of Krishvi but the SCN has been issued to her in her individual capacity and not as director of Krishvi. She is not responsible in her individual capacity for any act, deed and action for or on behalf of Krishvi. She is wife of Mr. Deepak C. Dalal, proprietor of C. J. Dalal. No adverse inference should be drawn from the same. She had carried out trades in those scrips on her own and in her

individual capacity and she is a distinct legal entity from Krishvi and her husband. The interpretation to deduce that being a director of a broking entity as well as wife of another member tantamount to association and/or connection is erroneous and improper.

e. In an automated price mechanism system, it is impossible to reverse any trade since the counter party or the broker is not known. The observation in the SCN that *on September 22, 2008 the noticee bought 14,302 shares from Chandra and on September 29, 2008 12,108 shares were sold to Maruti* do not establish any reversal of trades. Further, it is impossible on screen based trading to know the counterparty client or the counterparty broker.

f. With regard to synchronized trades, orders executed at time difference of 1 second are normal in the securities market and no adverse inference may be drawn from the same. Further, there were only 8 instances out of 361 where orders were executed at time difference of 1 second. SAT in case of *Grishma Securities P. Ltd. vs. SEBI* has held that synchronized trades *per se* are not illegal.

g. The investigation has failed to consider that volume in particular scrip may be influenced by innumerable factors like general market trends, corporate announcements, demand and supply, instinct of buyers and sellers etc. Thus, the inference that the trades of *'connected clients'* contributed significantly to the increase in the volume is without basis.

h. Her trades were executed under the 'trade to trade' segment and it is unable to comprehend how her 'trade to trade' trades were defined as self trades.

i. Further, trades executed by her resulted into passing of beneficial ownership as all pay in and pay out obligations had been met with which itself proves that her trades were genuine.

j. In the scrip of *'Bang'*, her percentage contribution was only 0.65% of the market volume and only on 54 days out of the 26 months investigation period. In only 121 trades out of total of 332 trades shown in the annexure to the SCN, the price difference was zero. In the remaining 211 trades, there was price difference as high as of □9, □12 and □13. Further, in only 34 trades out of total of 332 trades, the quantity difference was zero. In the remaining 298 trades, there was huge quantity difference as high as from 25,000 to 45,000. In only 93 trades out of the 332 trades, the time difference was less than a minute. In the remaining 239 trades, there was time difference as high as ranging from 2 to 3 hrs. between the sell and buy orders. Also there were no orders where all the three conditions of same price, time and quantity met.

k. In the scrip of *'Confidence'*, her percentage contribution was only 1.15% of the market volume and only on 9 days out of the 26 months investigation period. In only 11 trades out of the 118 trades shown in the annexure to the SCN, the quantity difference was zero. In the remaining 107 trades there was huge quantity difference as high as from 175,000 to 295,000. In only 78 trades out of the 118 trades the time difference was less than a minute in these trades. In the remaining 40 trades, there was time difference as high as ranging to 1 hr. between the sell and buy orders. Also there were no orders where all the three conditions were met. Further, her trades were executed under the 'trade to trade' segment which means that every trade was to be settled by giving and taking delivery.

l. In the scrip of *'Cals'*, her percentage contribution was only 0.88% of the market volume and only on 8 days out of the 26 month investigation period. In only 22 trades out of total of 53 trades shown in the annexure to the SCN, there was zero price difference. In the remaining 31 trades, there was price difference between the sell order and the buy order. In only 4 trades out of the 53 trades, the quantity difference was zero. In the remaining 49 trades there was huge quantity difference as high as from 450,000 to 975,000. In all the 53 trades the time difference was more than 1 minute. Also there were no orders where all the three conditions of time difference being less than 1 minute, quantity difference and price difference being zero met.

m. When majority of the orders are showing such a huge difference in quantity, time and price, the charge of synchronized trading being made falls apart as the trade logs prove otherwise compared to allegations made in the SCN.

n. The contents of Annexure 3 (trades in the scrip of *'Bang'*), Annexure 5 (trades in the scrip of *'Confidence'*) and Annexure 8 (trades in the scrip of *'Cals'*) are disputed.

6. I have carefully considered the SCN, replies to the SCN, submission made during the hearing and all the material available on record. I note that in the interim order dated June 04, 2009, the noticee was not mentioned as *'connected client'*. I, however, find that pursuant to the findings of the investigations in the case, these proceedings have commenced by issuance of the SCN to the noticee.

7. I note that the following facts suggest that the noticee is related with the '*connected clients'*.

   (a) The noticee is wife of Mr. Deepak C. Dalal (Proprietor of C. J. Dalal), a member of BSE.

   (b) The noticee is director of Krishvi, another member of BSE.

(c) Mr. Harsh Shirish Maniar and Mr. Jay Shirish Maniar are the only directors in the companies namely, Chandra, Kundan Leasing and Finvest P. Ltd. (Kundan), Jay Investrade P. Ltd. (Jay), HSM Financial Services P. Ltd. (HSM) and Shanti Financial Services P. Ltd. ('Shanti') and these companies have common address at Achal Bhuvan, 3rd Floor, 21 Modi Street, Fort, Mumbai. Hence, these entities are related to each other and have been collectively referred to as 'Maniar group'.

(d) Further, Maniar group, Maruti Securities Ltd. (Maruti) and Acme Craft P. Ltd. (Acme) had financial dealings and off-market transfer of shares with each other.

(e) All these entities were clients of trading members Krishvi and C J Dalal.

8. Now, I proceed to examine the trades of the noticees in three scrips of *'Bang', 'Confidence'* and *'Cals'* during relevant investigation period in the following paragraphs. I find that while the SCN (as shown in its annexures) relies only upon those trades of the noticee where the counter party client is connected with the noticee, in her replies, the noticee has shown all the trades that were executed by her. I have, therefore, considered only the trades relied upon in the SCN in this order.

In the scrip of *'Bang'*

9. I note that the total market volume in the scrip of *'Bang'* during the investigation period was 2,65,28,074 shares. During this period the noticee had bought 5,96,568 shares and sold 5,09,196 shares of *'Bang'*. The major counterparty selling clients for her buy trades were Maruti (1,85,180 shares), the Maniar group entities {i.e. Kundan (1,07,933 shares), Chandra (92,425 shares), Jay (12,189 shares)} and Deepak Dalal (10,345 shares) i.e. 68.40% of her buy trades were with these connected entities. The major counterparty buying clients for her sell trades were Maruti (1,57,647 shares), the Maniar group entities {(i.e. Chandra (73,509 shares), Kundan (19,702 shares), Jay (43,248 shares)} and Deepak Dalal (18,686 shares) i.e. 61.43% of her sell trades were with these connected entities.

Table I- Details of transactions in the scrip of 'Bang'

Trade Date	Buy Client Name	Buy Member Name	Sell Member Name	Sell Client Name	Quantity
13-Mar-08	Anita Dalal	CJ Dalal	CJ Dalal	Kundan	1915
13-Mar-08	Kundan	CJ Dalal	CJ Dalal	Anita Dalal	1000
12-May-08	Anita Dalal	CJ Dalal	CJ Dalal	Maruti	1225
12-May-08	Maruti	CJ Dalal	CJ Dalal	Anita Dalal	4899
15-May-08	Anita Dalal	CJ Dalal	CJ Dalal	Chandra	6687
15-May-08	Chandra	CJ Dalal	CJ Dalal	Anita Dalal	8000
20-May-08	Anita Dalal	IL&FS	CJ Dalal	Chandra	19510
26-May-08	Maruti	CJ Dalal	IL&FS	Anita Dalal	14673
27-May-08	Anita Dalal	IL&FS	CJ Dalal	Maruti	32000

27-May-08	Anita Dalal	CJ Dalal	Lalkar	Maruti	10000
27-May-08	Anita Dalal	CJ Dalal	CJ Dalal	Maruti	3018
27-May-08	Maruti	CJ Dalal	CJ Dalal	Anita Dalal	8162
28-May-08	Anita Dalal	CJ Dalal	CJ Dalal	Jay	5000
28-May-08	Jay	CJ Dalal	IL&FS	Anita Dalal	32998
28-May-08	Jay	CJ Dalal	CJ Dalal	Anita Dalal	6250
29-May-08	Anita Dalal	Krishvi	CJ Dalal	Jay	4426
29-May-08	Anita Dalal	CJ Dalal	CJ Dalal	Jay	1406
30-May-08	Deepak Dalal	CJ Dalal	Krishvi	Anita Dalal	10000
30-May-08	Maruti	CJ Dalal	CJ Dalal	Anita Dalal	1000
2-Jun-08	Anita Dalal	IL&FS	CJ Dalal	Maruti	8000
2-Jun-08	Anita Dalal	Krishvi	CJ Dalal	Deepak Dalal	9689
2-Jun-08	Kundan	Krishvi	CJ Dalal	Anita Dalal	3917
3-Jun-08	Deepak Dalal	CJ Dalal	Krishvi	Anita Dalal	5500
3-Jun-08	Maruti	CJ Dalal	IL&FS	Anita Dalal	8000
4-Jun-08	Anita Dalal	IL&FS	CJ Dalal	Maruti	15806
4-Jun-08	Kundan	Krishvi	CJ Dalal	Anita Dalal	5187
5-Jun-08	Maruti	CJ Dalal	IL&FS	Anita Dalal	17228
6-Jun-08	Anita Dalal	IL&FS	CJ Dalal	Maruti	39919
9-Jun-08	Chandra	CJ Dalal	IL&FS	Anita Dalal	39950
11-Jun-08	Chandra	CJ Dalal	CJ Dalal	Anita Dalal	3000
12-Jun-08	Anita Dalal	IL&FS	CJ Dalal	Chandra	15000
13-Jun-08	Chandra	SPS	IL&FS	Anita Dalal	10000
13-Jun-08	Chandra	SPS	CJ Dalal	Anita Dalal	7403
17-Jun-08	Maruti	CJ Dalal	IL&FS	Anita Dalal	2209
18-Jun-08	Anita Dalal	IL&FS	CJ Dalal	Maruti	49800
20-Jun-08	Anita Dalal	CJ Dalal	CJ Dalal	Maruti	5810
20-Jun-08	Maruti	CJ Dalal	CJ Dalal	Anita Dalal	4000

10. I also note from the trading details of the noticee that in majority of trades executed by the noticee, C.J. Dalal was the trading member on both sides of the noticee's transactions. These trades are as under:-

Table II - Details of transactions where C. J. Dalal was on both sides of the transactions

Trade Date	Buy Client Name	Buy Member Name	Sell Member Name	Sell Client Name	Quantity
10-Mar-08	Anita	CJ Dalal	CJ Dalal	Maruti	5000
11-Mar-08	Anita	CJ Dalal	CJ Dalal	Maruti	5999
11-Mar-08	Maruti	CJ Dalal	CJ Dalal	Anita	616
12-Mar-08	Anita	CJ Dalal	CJ Dalal	Chandra	14015
13-Mar-08	Anita	CJ Dalal	CJ Dalal	Kundan	1915
13-Mar-08	Kundan	CJ Dalal	CJ Dalal	Anita	1000
25-Mar-08	Maruti	CJ Dalal	CJ Dalal	Anita	3079
2-Apr-08	Anita	CJ Dalal	CJ Dalal	Maruti	100
2-Apr-08	Maruti	CJ Dalal	CJ Dalal	Anita	1275
7-Apr-08	Anita	CJ Dalal	CJ Dalal	Chandra	1990
7-Apr-08	Maruti	CJ Dalal	CJ Dalal	Anita	3000
11-Apr-08	Maruti	CJ Dalal	CJ Dalal	Anita	681
24-Apr-08	Maruti	CJ Dalal	CJ Dalal	Anita	1972
28-Apr-08	Maruti	CJ Dalal	CJ Dalal	Anita	8719

2-May-08	Maruti	CJ Dalal	CJ Dalal	Anita	6000
7-May-08	Maruti	CJ Dalal	CJ Dalal	Anita	1000
9-May-08	Maruti	CJ Dalal	CJ Dalal	Anita	1233
12-May-08	Anita	CJ Dalal	CJ Dalal	Maruti	1225
12-May-08	Maruti	CJ Dalal	CJ Dalal	Anita	4899
13-May-08	Anita	CJ Dalal	CJ Dalal	Anita	500
13-May-08	Maruti	CJ Dalal	CJ Dalal	Anita	2998
15-May-08	Anita	CJ Dalal	CJ Dalal	Chandra	6687
15-May-08	Chandra	CJ Dalal	CJ Dalal	Anita	8000
20-May-08	Anita	CJ Dalal	CJ Dalal	Maruti	370
27-May-08	Anita	CJ Dalal	CJ Dalal	Maruti	3018
27-May-08	Maruti	CJ Dalal	CJ Dalal	Anita	8162
28-May-08	Anita	CJ Dalal	CJ Dalal	Jay	5000
28-May-08	Jay	CJ Dalal	CJ Dalal	Anita	6250
29-May-08	Anita	CJ Dalal	CJ Dalal	Jay	1406
29-May-08	Anita	CJ Dalal	CJ Dalal	Kundan	40
30-May-08	Maruti	CJ Dalal	CJ Dalal	Anita	1000
11-Jun-08	Chandra	CJ Dalal	CJ Dalal	Anita	3000
12-Jun-08	Anita	CJ Dalal	CJ Dalal	Kundan	500
20-Jun-08	Anita	CJ Dalal	CJ Dalal	Maruti	5810
20-Jun-08	Maruti	CJ Dalal	CJ Dalal	Anita	4000

11. From the above, I note that the noticee had repeatedly done trading with the connected counterparty clients, in this case to the extent of 68% of her total buy trades and 61% of her total sell trades.

12. In the SCN, it is also alleged that the noticee had indulged in the following synchronized trades in the scrip of *'Bang'*.

Table II - Details of synchronized transactions

Trade Date	Trade No	Trade Rate	Trade Time	Order Time	Order Qty	Order Rate	Buy Client Name	Buy Member Name	Sell Member Name	Sell Client Name	Traded Quantity	CP Order Time	CP Order Qty	CP Order Rate	Time Diff	Qty Diff	Rate Diff
12-May-08	914	222.50	11:48:49	11:48:49	2500	222.50	Anita	CJ Dalal	IL&FS	Anita	2490	11:48:44	2500	222.5	0:00:05	0	0.00
12-May-08	916	222.50	11:49:05	11:49:04	2500	222.50	Anita	CJ Dalal	IL&FS	Anita	10	11:48:44	2500	222.5	0:00:21	0	0.00
12-May-08	917	222.50	11:49:05	11:49:04	2500	222.50	Anita	CJ Dalal	IL&FS	Anita	2468	11:49:01	2500	222.5	0:00:03	0	0.00
30-May-08	910	255.45	15:28:47	15:28:47	10000	255.45	Deepak	CJ Dalal	Krishvi	Anita	10000	15:28:46	10000	255.45	0:00:01	0	0.00
30-May-08	911	255.45	15:29:00	15:29:00	305	255.45	Anita	Krishvi	CJ Dalal	Deepak	305	15:28:59	305	255.45	0:00:01	0	0.00
3-Jun-08	1045	244.50	15:29:12	15:29:11	5500	244.50	Deepak	CJ Dalal	Krishvi	Anita	5500	15:29:11	5500	244.5	0:00:00	0	0.00
4-Jun-08	1220	245.50	15:07:11	15:07:11	2200	245.50	Anita	CJ Dalal	Krishvi	Anita	2195	15:07:02	2200	245.5	0:00:08	0	0.00
4-Jun-08	1233	243.95	15:08:00	15:08:00	12	243.95	Anita	CJ Dalal	Krishvi	Anita	12	15:08:00	12	243.95	0:00:01	0	0.00
6-Jun-08	469	243.00	14:59:35	14:59:07	5000	243.00	Anita	IL&FS	CJ Dalal	Maruti	2472	14:59:35	5000	243	0:00:28	0	0.00
10-Jun-08	616	255.25	15:30:00	15:30:00	500	255.25	Anita	CJ Dalal	IL&FS	Anita	500	15:29:57	500	255.25	0:00:03	0	0.00
24-Jun-08	24	294.95	9:59:01	9:59:01	500	294.95	Anita	CJ Dalal	IL&FS	Anita	500	9:58:56	500	294.95	0:00:05	0	0.00

24-Jun-08	25	294.95	9:59:18	9:59:17	1000	294.95	Anita	CJ Dalal	IL&FS	Anita	1000	9:59:11	1000	294.95	0:00:06	0	0.00
27-Jun-08	3	258.75	9:58:59	9:58:59	500	258.75	Anita	CJ Dalal	IL&FS	Anita	500	9:58:51	500	258.75	0:00:08	0	0.00
22-Sep-08	424	290.00	14:56:34	14:55:48	5000	290.00	Anita	IL&FS	CJ Dalal	Chandra	4221	14:56:34	5000	290	0:00:46	0	0.00
30-Jan-09	274	144.25	11:35:02	11:35:02	500	144.25	Deepak	CJ Dalal	IL&FS	Anita	500	11:34:56	500	144.25	0:00:06	0	0.00
30-Jan-09	294	144.25	11:52:44	11:52:44	100	144.25	Deepak	CJ Dalal	IL&FS	Anita	95	11:52:43	100	144.25	0:00:01	0	0.00

13. From the above table, it is observed that the aforesaid trades were synchronized in terms of price, quantity and time wherein the time difference between the buy and sell orders was negligible. For instance, on May 30, 2008 the noticee placed a sell order for 10,000 shares at 15:28:46 hrs. which matched in a time difference of 0:00:01 second with the buy order of Mr. Deepak Dalal. Immediately thereafter Mr. Deepak Dalal placed a sell order for 305 shares at 15:28:59 hrs. which matched in a time difference of 0:00:01 second with the buy order of the noticee.

14. In the SCN, it is further alleged that the noticee had executed self trades for 22,968 shares of *'Bang'*.

TABLE III:- Details of Self Trades

Trade Date	Buy Client Name	Buy Member Name	Sell Member Name	Sell Client Name	Quantity
12-May-08	Anita	CJ Dalal	IL&FS	Anita	4968
13-May-08	Anita	CJ Dalal	CJ Dalal	Anita	500
4-Jun-08	Anita	IL&FS	Krishvi	Anita	1693
4-Jun-08	Anita	CJ Dalal	Krishvi	Anita	2307
10-Jun-08	Anita	CJ Dalal	IL&FS	Anita	500
13-Jun-08	Anita	CJ Dalal	IL&FS	Anita	10000
24-Jun-08	Anita	CJ Dalal	IL&FS	Anita	1500
27-Jun-08	Anita	CJ Dalal	IL&FS	Anita	1500

15. I find from the aforesaid table that the noticee was the buyer as well as the seller in the aforesaid transactions. These were self trades which are fictitious and have been done to create artificial volumes in the scrip.

In the scrip of *'Confidence'*

16. In the SCN, it is alleged that the total traded quantity by the noticee during the period of investigation in the scrip of *'Confidence'* was 24,97,826 shares out of which 22,66,626 shares were traded during the months of May to July 2008 i.e. constituting 90.74% of her total volume traded. The major counterparty selling clients for her buy trades were Maruti (3,33,083 shares), Kundan (4,87,240 shares) and Chandra (39,767 shares) i.e. 37.95% of her buy trades were with these entities. The major counterparty buying clients for her sell trades were Maruti (3,13,681 shares), Kundan (1,00,000 shares), Acme

(18,519 shares) and Chandra (5,000 shares) i.e. 19.29% of her sell trades were with these entities.

Table IV - Details of transactions in the scrip of 'Confidence'

Trade Date	Buy Client Name	Buy Member Name	Sell Member Name	Sell Client Name	Quantity
9-May-08	Anita	CJ Dalal	CJ Dalal	Maruti	3000
9-May-08	Anita	CJ Dalal	SPS	Chandra	2300
9-May-08	Maruti	CJ Dalal	CJ Dalal	Anita	5000
12-May-08	Anita	CJ Dalal	CJ Dalal	Maruti	500
16-May-08	Anita	Kotak	CJ Dalal	Kundan	2546
4-Jun-08	Maruti	CJ Dalal	IL&FS	Anita	15030
18-Jun-08	Anita	IL&FS	CJ Dalal	Kundan	287294
19-Jun-08	Maruti	CJ Dalal	IL&FS	Anita	293651
26-Jun-08	Anita	IL&FS	CJ Dalal	Kundan	197400
27-Jun-08	Acme	CJ Dalal	IL&FS	Anita	6369
27-Jun-08	Chandra	SPS	IL&FS	Anita	5000
21-Jul-08	Anita	IL&FS	CJ Dalal	Maruti	267050
25-Jul-08	Anita	IL&FS	Krishvi	Chandra	37467
25-Jul-08	Anita	IL&FS	Krishvi	Maruti	62533

17. I note that 90.74% of total trades of the noticee in the scrip of *'Confidence'* were done between May and June 2008. I also note that the noticee had repeatedly done trading with the connected counterparty clients, in this case to the extent of 38% of her total buy trades and 19% of her total sell trades.

18. In the SCN it is also alleged that the noticee had indulged in following synchronized transactions in the scrip of *'Confidence'*.

Table V - Details of synchronized transactions

Trade Date	Trade No	Trade Rate	Trade Time	Order Time	Order Qty	Order Rate	Buy Client Name	Buy Member Name	Sell Member Name	Sell Client Name	Traded Qty	CP Order Time	CP Order Qty	CP Order Rate	Time Diff	Qty Diff	Rate Diff
26-Jun-08	277	15.15	15:07:26	15:07:25	5000	15.15	Anita	IL&FS	CJ Dalal	Kundan	4600	15:07:19	5000	15.15	00:00:06	0	0.00
26-Jun-08	278	15.15	15:07:46	15:07:46	5000	15.15	Anita	IL&FS	CJ Dalal	Kundan	400	15:07:19	5000	15.15	00:00:27	0	0.00

19. From the above table, it is observed that on June 26, 2008 Kundan placed a sell order for 5,000 shares at 15:07:19 and the noticee placed a buy order of 5,000 shares at 15:07:25 hrs. In this order, trade of 4,600 shares got executed in a time difference of 0:00:06 seconds between buy and sell order. Similarly, Kundan placed a sell order for 5,000 shares at 15:07:19 and the noticee placed a buy order of 5,000 shares at 15:07:46 hrs. In this order, trade of 400 shares got executed in a time difference of 0:00:27 seconds between buy and sell order. I therefore, find that these trades were

synchronized in terms of price, quantity and time wherein the time difference between the buy and sell orders was negligible.

20. In the SCN, it is further alleged that the noticee had executed self trades for 1,37,766 shares of *'Confidence'*.

TABLE VI:- Details of Self Trades

Trade Date	Buy Client Name	Buy Member Name	Sell Member Name	Sell Client Name	Quantity
16-May-08	Anita	Kotak	CJ Dalal	Anita	73,702
22-May-08	Anita	Kotak	CJ Dalal	Anita	24,225
28-Jul-08	Anita	IL&FS	IL&FS	Anita	39,839

21. From the above table, I find that the noticee was the buyer as well as the seller in the aforesaid transactions. These were self trades which are fictitious and have been done to create artificial volumes in the scrip.

In the scrip of *'Cals'*.

22. In the scrip of *'Cals'*, the total traded quantity during the investigation period between June 2008 and February 2009 was 85,78,47,441 shares. In the SCN, it is alleged that the noticee during the period August 2008 to January 2009 traded for 76,41,807 shares out of which 70,01,406 shares were traded during the month of August 2008 i.e. constituting 91.15% of her total volume traded. The noticee bought and sold 35,00,703 shares each side. The major counterparty selling clients for her buy trades were Chandra (5,58,520 shares) and Maruti (20,74,893 shares) i.e. 75.23% of her total buy trades. The major counterparty buying clients for her sell trades were Kundan (24,89,450 shares), Maruti (7,32,231 shares) and Acme (1,24,901 shares) i.e. 80.24% of her total sell trades.

Table VII - Details of transactions in the scrip of 'Confidence'

Trade Date	Buy Client Name	Buy Member Name	Sell Member Name	Sell Client Name	Quantity
1-Aug-08	Anita	IL&FS	CJ Dalal	Chandra	5,58,520
1-Aug-08	Anita	IL&FS	CJ Dalal	Maruti	4,05,094
4-Aug-08	Maruti	CJ Dalal	IL&FS	Anita	74,590
5-Aug-08	Maruti	CJ Dalal	IL&FS	Anita	30,848
7-Aug-08	Maruti	CJ Dalal	IL&FS	Anita	1,00,000
8-Aug-08	Acme	Krishvi	IL&FS	Anita	1,24,901
8-Aug-08	Maruti	Krishvi	IL&FS	Anita	4,12,585
11-Aug-08	Maruti	CJ Dalal	IL&FS	Anita	1,03,658
12-Aug-08	Anita	IL&FS	CJ Dalal	Maruti	16,69,799
21-Aug-08	Kundan	CJ Dalal	IL&FS	Anita	24,89,450
21-Aug-08	Maruti	CJ Dalal	IL&FS	Anita	10,550

23. From the above table, I note that 91.15% of total trades of the noticee in the scrip of *'Cals'* were done during the month of August 2008. I also note that the noticee had repeatedly done trading with the connected counterparty clients, in this case to the extent of 75% of her total buy trades and 80% of her total sell trades .

24. Considering the aforesaid facts and circumstances and trading pattern of the noticee in the three scrips as described above, in my view, several trades particularly synchronized trades of the noticee with the connected entities are of too much of a coincidence in the anonymous screen based trading system. Moreover, the counter-party broker in the majority of the instances was C. J. Dalal whose proprietor is husband of the noticee. I also find that there were several instances where the noticee had entered into self trades. I find that such trading with the connected clients in anonymous screen based trading could be possible only with the premeditated plan or device with involvement of the noticee. In this regard the following observations of Hon'ble Securities Appellate Tribunal **(**SAT) in its order dated December 13, 2010 in Appeal no. 190/2010 **- *Ajmera Associates Pvt. Ltd. Vs. SEBI*** is worth mentioning*:*

"... It is not in dispute that the trading system that we have on the stock exchanges is a blind trading system which maintains complete anonymity of the persons trading. The broker while executing an order (buy or sell) cannot possibly know at the time of placing the order through the system as to who the counter party is or even the counter party broker. In other words, the trading system does not permit the buyers and the sellers to have any interaction between them except through the trading system. A buy order placed on the system matches with a sell order and a trade comes to be executed and this matching is done by the system on a price time priority basis. Despite the anonymity of the system, we have seen market players and the intermediaries like the brokers executing manipulative trades by defeating the system and this is usually done by placing the buy and sell orders simultaneously for the same amount and at the same price. Such matching orders usually result in trades in comparatively less liquid scrips. This being the system, it sometimes becomes difficult to find out whether the brokers who execute the trades of their clients and who are expected to carry out their directions are also a party to the mischief. If the broker knew at the time of executing the trade what the client was upto, then obviously he is a party to the mischief. Since the trading system maintains complete anonymity, brokers always plead that they were ignorant about the counter party or his broker. In such a situation one has to look to the trading pattern and if the trades match too often or if the matching of the trades is noticed day after day and trade after trade, one can infer that the matching was done not by the system but by manipulating the same....."

25. From the above transactions of the noticee it can reasonably be inferred that the noticee executed several trades with the connected clients /entities to create artificial volume in

the scrips of *'Bang', 'Confidence'* and *'Cals'*. The noticee was part of group of connected clients and had dealt in the shares of *'Bang', 'Confidence'* and *'Cals'* with other connected clients/entities. The trades of the noticee have to be considered as part of overall plan of manipulative trading in the five scrips amongst the connected clients. It is very often observed in the market that the manipulators operate in large group to make a particular strategy work and to avoid being caught. In such cases of manipulation the contribution of individual players in quantitative terms, sometimes, appears relatively small but their role in making a particular strategy successful becomes significant. I find that in the instant case, though the contribution of the noticee to the total artificial volume created appears to be relatively less, her contribution to the artificial volume in absolute terms and to the overall manipulative strategy can not be ignored. In view of the facts and circumstances of the instant case as discussed above, I find that the noticee also, alongwith the *'connected clients'*, contributed in creation of false and misleading appearance of trading without intention of change in beneficial ownership, in the scrips of *'Bang', 'Confidence'* and *'Cals'* and has thus violated regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) and (g) of the PFUTP Regulations and section 12A(a), (b) and (c) of SEBI Act. In my view, restraining her from buying, selling and dealing in securities and accessing the securities market for a period of 18 months would be appropriate for the violations committed by her.

26. In view of the foregoing, I, in exercise of the powers conferred upon me by virtue of section 19 read with sections 11, 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 and regulation 11 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, hereby restrain Ms. Anita Deepak Dalal (PAN: AAEPD9039Q) from accessing the securities market and further prohibit her from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner for a period of 18 months.

27. A copy of this order shall be served on all recognized stock exchanges and depositories to ensure that the direction given in para 26 above are complied with.

28. This Order shall come into force with immediate effect.

RAJEEV KUMAR AGARWAL
DATE: September 25th , 2012 WHOLE TIME MEMBER
PLACE: MUMBAI SECURITIES AND EXCHANGE BOARD OF INDIA