

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA  
CORAM: KAMLESH C. VARSHNEY, WHOLE TIME MEMBER**

***INTERIM ORDER CUM SHOW CAUSE NOTICE***

Under the provisions of Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of the Securities and Exchange Board of India Act, 1992

In respect of:

<b>Sl. No.</b>	<b>Name of Noticees</b>	<b>PAN</b>
1.	Nirmal Kumar Soni	BCHPS4866G
2.	Partha Sarathi Dhar	ASCPD8155H
3.	SAAR Commodities Private Limited (SAAR Commodities)	AAJCS7343G
4.	Manan Sharecom Private Limited	AAPCM9816L
5.	Kanhya Trading Company	AAXFK5345H
6.	Nitin Chhalani	CDLPC3829F
7.	Rupesh Kumar Matoliya	AFRPM8024J
8.	Ajaykumar Ramakant Sharma	AZJPS8694Q
9.	SAAR Securities India Private Limited ("SAAR Securities")	AAKCS2154C
10.	Ramawatar Lalchand Chotia	ADIPC7123K
11.	Kiran Jadhav	ACBPJ4456A
12.	Ashish Kelkar	ACAPK0708P
13.	Himanshu Gupta	AISPG3320M
14.	Mudit Goyal	AMLPG9294K

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*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

15.	Simi Bhaumik	AHPPB7419L
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**In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel**

*(The entities mentioned above are individually known by their respective names or Noticee No. and collectively referred to as "Noticees"; unless the context specifies otherwise)*

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## **A. Background**

1. The present proceedings are emanating from an investigation conducted by the Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”), to examine high correlation between the trading activities of *Noticees Nos. 1 to 5* and the stock recommendations given by *Noticees Nos. 11 to 15*, who were guest experts featuring in different shows broadcasted on the television channel Zee Business (hereinafter referred to as “**Zee Business**”), during the period starting from February 01, 2022 and ending with December 31, 2022 (both days inclusive) (hereinafter referred to as “**Relevant Period/ Investigation Period**”). Investigation was also conducted to examine the role of *Noticees Nos. 6 to 10* who were allegedly associated/ connected with the *Noticee No. 1*, through *Noticees Nos. 3 and 5*, who

allegedly aided and abetted *Noticees* in their trading activities having correlation with the recommendation given by guest experts during the relevant period.

2. Considering the *prima facie* pattern of correlation of trades of suspect entities with recommendations made by guest experts on Zee Business, further investigation was undertaken in order to gather evidence of possible violation of the provision of the Securities and Exchange Board of India Act 1992 (hereinafter referred to as the “**SEBI Act**”), and the Regulations framed thereunder including, Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as the “**PFUTP Regulations**”) and Securities and Exchange Board of India (Research Analysts) Regulations, 2014 (hereinafter referred to as the “**RA Regulations**”).
3. An Investigation Authority under Section 11C of the SEBI Act was appointed by the Competent Authority to carry out further investigation in the matter. Subsequently, a search and seizure operation was carried out on the premises of suspect entities (i.e. Nirmal Kumar Soni, Parth Sarathi Dhar, Manan Sharecom Private Limited, Kiran Jadhav, Ashish Kelkar, Mudit Goyal and Simi Bhaumik) after obtaining a Court order. During the said operation, certain electronic devices were seized and statements were recorded under oath.
4. During post-search investigation, *inter alia*, following steps were undertaken, namely:-
  - a) Analysis of data contained in electronic devices seized during search and seizure operation;
  - b) Analysis of KYC details and bank account statements of *Noticees*;
  - c) Analysis of Client Application Forms (**CAF**) provided by Telecom Service Providers (**TSP**);
  - d) Analysis of Call Data Records (**CDR**) of *Noticees*;

- e) Analysis of Geographical locations of *Noticees* during certain periods;
- f) Analysis of trading activities of *Noticees*;
- g) Analysis of recorded videos of shows provided by Zee Media Corporation Limited (“**ZMCL**”);
- h) Analysis of Account Opening Forms (**AOF**) provided by banks; and
- i) Analysis of relevant material available on Ministry of Corporate Affairs (**MCA**) website.

## **B. Details of Noticees**

5. In order to have a better understanding of the matter and the role played by suspected entities, *Noticees* have been divided into three categories as per immediately succeeding paragraphs.

### **6. First category- Profit Makers**

The first category is “Profit Makers” which comprises of entities that made profit by executing trades which were allegedly executed based on advance information of stock recommendations given by guest experts. In the extant matter, Nirmal Kumar Soni (*Noticee* No. 1), Partha Sarathi Dhar (*Noticee* No. 2), SAAR Commodities Private Limited (*Noticee* No. 3/ SAAR Commodities), Manan Sharecom Private Limited (*Noticee* No. 4) and Kanhya Trading Company (*Noticee* No. 5/Kanhya) have been referred to as “**Profit Makers**”.

### **7. Second category- Enablers**

The second category comprises of entities that allegedly aided/assisted Profit Makers in making profit based on advance information of stock recommendations of guest experts. This category of entities allegedly provided necessary support/credentials viz. trading accounts/ trading terminals, login IDs and passwords etc., for aiding and abetting *Noticee* No. 1 to execute trades in the accounts of *Noticees* Nos. 1, 3, 4 and 5. Accordingly, Nitin Chhalani (*Noticee* No. 6), Rupesh Kumar Matoliya (*Noticee* No. 7), Ajaykumar Ramakant Sharma (*Noticee*

No. 8), SAAR Securities India Private Limited (*Noticee No. 9/ SAAR Securities*), Ramawatar Lalchand Chotia (*Noticee No. 10*), who were related and associated with *Noticee Nos. 3 and 5*, have been referred to as “**Enablers**”.

#### 8. Third category- Guest Experts

The third category comprises of guest experts who appeared on different shows on the Zee Business and provided/issued stock recommendations to viewers of this Channel. It is pertinent to mention here that these experts have significant presence in social media. In the extant matter, Kiran Jadhav (*Noticee No. 11*), Ashish Kelkar (*Noticee No. 12*), Himanshu Gupta (*Noticee No. 13*), Mudit Goyal (*Noticee No. 14*) and Simi Bhaumik (*Noticee No. 15*) have been referred to as “**Guest Experts**”. Guest Experts have allegedly provided non-public information to certain entities (Profit Makers) prior to broadcasting of their recommendations. Brief introduction of these Guest Experts (as ascertained during the investigation) is provided below-

- a) Mr. Kiran Jadhav (*Noticee No. 11*), a SEBI Registered Research Analyst, appeared on shows broadcasted on Zee Business and provided stock recommendations under the tagline “**KIRAN KA KAMAL**”. As per the website of Kiran Jadhav & Associates, he is a Promoter, CMD, and Mentor at Kiran Jadhav & Associates, Pune, which primarily is a stock market training company. He has trained over 12,000 individuals in the field of Technical Analysis of shares. It is seen that he had a social media presence with over 1,40,000 followers on “X” (erstwhile Twitter) during the investigation period.
- b) Mr. Ashish Kelkar (*Noticee No. 12*), a Co-Promoter and CEO at Kiran Jadhav & Associates, appeared on shows broadcasted on Zee Business and provided stock recommendations under the tagline “**KIRAN KA KAMAL**”. As per the website of Kiran Jadhav & Associates, he has trained over 14,000 individuals in the field of technical analysis of shares.
- c) Mr. Himanshu Gupta (*Noticee No. 13*) is a research professional and Senior Vice President (Research) at Globe Capital Market Limited (as per the website

of this company). He provided stock recommendations under the tagline “**HITMAN HIMANSHU**” on shows broadcasted on Zee Business. It is seen that he had over 15,700 followers on “X” (erstwhile Twitter) during the investigation period.

- d) Mr. Mudit Goyal (*Noticee No. 14*) is a SEBI registered Research Analyst at present (not at the time during the investigation period). He provided stock recommendations under the tagline “**MUDIT KE MUNAFE**” on shows broadcasted on Zee Business. It is seen that he had a following of over 25,300 followers on “X” (erstwhile Twitter) during the investigation period.
- e) Ms. Simi Bhaumik (*Noticee No. 15*) is a SEBI registered Research Analyst. She provided stock recommendations under the tagline “**SIMI KE NON STOP SHARES**” on shows broadcasted on Zee Business. It is seen that while acting as a Research Analyst, she also operated various subscription-based models through which she offered exclusive stock recommendations to her subscribers. Further, it is seen that she had a following of over 26,000 followers on “X” (erstwhile Twitter) during the investigation period.

The analysis of video recordings of broadcasted shows provided by ZMCL revealed that appearance of aforementioned *Guest Experts* on Zee Business was not restricted to any specific show/time and these *Guest Experts* appeared on Zee Business throughout the day under their respective taglines.

### **C. Key evidences collected during the investigation**

9. For the purpose of this order, following evidences have been collected, namely:-
- (a) Evidence of connection amongst various *Noticees*;
  - (b) Evidence of sharing of advance information about scrip/contract recommendations by *Guest Experts* with *Profit Makers* prior to the appearance of these experts on Zee Business;

- (c) Evidence of trades having carried out by *Profit Makers* based on such advance information;
- (d) Evidence of increase in trade volumes as well as favourable movement of price in line with recommendations, creating opportunities for *Profit Makers* to make profits based on such advance information; and
- (e) Evidence of sharing of profit by *Profit Makers* with *Guest Experts*.

10. These evidences are discussed in succeeding paragraphs to arrive at finding of facts. Subsequently it is examined whether these facts lead to *prima facie* finding on violation of SEBI Act as well as regulations made there under.

**D. Connection amongst Noticees**

11. In order to examine connection amongst *Noticees*, various materials on record have been examined/analysed. During search and seizure, mobile phones of the below mentioned *Noticees* were also seized. On examination/analysis, the following details with respect to mobile numbers of the *Noticees* have been gathered -

**Table No. 1**

<b>Mobile Number</b>	<b>Registered in the name of / Used by</b>	<b>Source</b>
773XXXX742	Nirmal Kumar Soni ( <i>Noticee No.1</i> )	Client Application Form received from Telephone Service Provider (TSP);
931XXXX971		Account Opening Forms (AOF) provided by Bank; Statement recording of Nirmal Kumar Soni; At the time of search & seizure operation, Nirmal Kumar Soni was having possession of a mobile phone with the SIM card of this number



842XXXX686 810XXXX138 974XXXX921	Partha Sarathi Dhar ( <i>Noticee No. 2</i> )	Client Application Forms received from TSP; AOF provided by Bank; Statement recorded dated January 19, 2023
982XXXX688	SAAR Commodities ( <i>Noticee No.3</i> )	KYC details provided by Bank
773XXXX742	Manan Sharecom Pvt Ltd. ( <i>Noticee No.4</i> )	AOF provided by Bank
977XXXX111	Kanhya Trading Company ( <i>Noticee No.5</i> )	AOF provided by Bank
977XXXX111	Nitin Chhalani ( <i>Noticee No.6</i> )	Client Application Form received from TSP
981XXXX506	Rupesh Kumar Matoliya ( <i>Noticee No.7</i> )	Client Application Form received from TSP
981XXXX056	Ajaykumar Ramakant Sharma ( <i>Noticee No.8</i> )	Client Application Form received from TSP
981XXXX506	SAAR Securities ( <i>Noticee No.9</i> )	KYC details provided by Bank
982XXXX678	Ramawatar Lalchand Chotia ( <i>Noticee No.10</i> )	Client Application Form received from TSP

982XXXX880	Kiran Jadhav ( <i>Noticee No. 11</i> )	Client Application Form received from TSP; Statement recording dated January 19, 2023
988XXXX277	Ashish Kelkar ( <i>Noticee No. 12</i> )	Client Application Form received from TSP Statement recording dated January 19, 2023
844XXXX469	Himanshu Gupta ( <i>Noticee No. 13</i> )	Client Application Form received from TSP Statement recording dated January 19, 2023
925XXXX511	Mudit Goyal ( <i>Noticee No. 14</i> )	Client Application Form received from TSP Statement recording dated January 19, 2023
983XXXX790 974XXXX790	Simi Bhaumik ( <i>Noticee No. 15</i> )	Client Application Form received from TSP Statement recording dated January 19, 2023

12. Further, based on the material/information collected from MCA website, etc., AOF/ KYC details received from banks, CAF received from TSP etc., preliminary connection amongst the *Noticees* have been observed as below-

12.1. Nirmal Kumar Soni (*Noticee No. 1*) is designated as the Authorized Signatory and a Director of Manan Sharecom Private Limited (*Noticee No. 4*) as per the AOF of Manan Sharecom Private Limited provided by HDFC Bank. Further, the mobile number registered in the HDFC bank account of *Noticee No. 4*, is “773XXXX742”, which is registered in the name of Nirmal Kumar Soni, as per the information provided by the TSP.

12.2. Partha Sarathi Dhar (*Noticee No. 2*) and Simi Bhaumik (*Noticee No. 15*) have common address. As per KYC of Simi Bhaumik’s account provided by Indian Bank, Partha Sarathi Dhar is mentioned as her husband. Similarly, as per KYC of Partha Sarathi Dhar’s account provided by Indian Overseas Bank, Simi Bhaumik is mentioned as his wife.

12.3. As per AOF provided by Axis bank, Rupesh Kumar Matoliya (*Noticee No. 7*) and Ajaykumar Ramakant Sharma (*Noticee No. 8*) are Authorized

Signatories and Directors of SAAR Commodities Private Limited (*Noticee No. 3*). Further, Rupesh Kumar Matoliya (*Noticee No. 7*) and Ajaykumar Ramakant Sharma (*Noticee No. 8*) are common Directors in both SAAR Commodities (*Noticee No. 3*) and SAAR Securities (*Noticee No. 9*). It is also noted that all trades of SAAR Commodities (Client Code SC100) were executed through the trading member SAAR Securities.

12.4. As per the AOF of Kanhya Trading Company (*Noticee No. 5*) provided by HDFC Bank, mobile number “977XXXX111” is linked with its bank account and Nitin Chhalani (*Noticee No. 6*) is listed as one of its Authorised Signatories. Further, as per AOF of Nitin Chhalani provided by HDFC Bank, same mobile number “977XXXX111” is also associated with bank account of Nitin Chhalani.

13. From the examination of CDR and various records including Whatsapp/ Telegram Chats retrieved from seized devices of *Noticees* and statements of bank accounts, further connections amongst *Noticees* have emerged which are discussed in immediately succeeding paragraphs.

14. Connection amongst Nirmal Kumar Soni, Kiran Jadhav and Ashish Kelkar

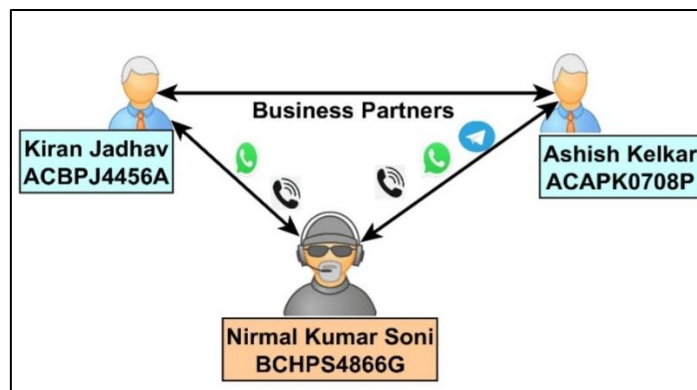
a. The relevant CDRs/ Whatsapp chats/Telegram chats pertaining to the investigation period have been analysed and it is observed that Nirmal Kumar Soni (773XXXX742) had calls/Whatsapp chats/ Telegram chats with both Kiran Jadhav (982XXXX880) and Ashish Kelkar (988XXXX277). It is also observed from the said Whatsapp chats that Nirmal Kumar Soni had met Kiran Jadhav in Pune (December 24, 2022) and in Dubai(2022). The said fact is also corroborated by the Whatsapp chats/photos retrieved from the gallery of phone seized during the search and seizure. Further, during the statement recording on January 19, 2023 of **Kiran Jadhav**, the following was *inter alia* stated by him:

“52. From 2021, how many times Soni has met you and in which locations?

Ans: Thrice in Poona, once in Jaipur and once in Dubai (whole trip was sponsored by Nirmal Soni). Apart from the above locations I haven't met them.”

- b. On analysis of Telegram chats between Ashish Kelkar (988XXXX277) and Kiran Jadhav (982XXXX880) dated April 18, 2022, it is noted that Nirmal Kumar Soni had visited both Kiran Jadhav and Ashish Kelkar in Pune on April 18, 2022. Further, Nirmal Kumar Soni, vide Telegram chat dated April 28, 2022, had shared e-visa (of Ashish Kelkar) and vide chat dated May 06, 2022, he had shared hotel booking details (for Kiran Jadhav). From Nirmal Kumar Soni's phone gallery, photos of a trip to Dubai have been retrieved in which he was accompanied by Ashish Kelkar, Kiran Jadhav and Nitin Chhalani.
- c. Investigation also revealed that Nirmal Kumar Soni possessed another number (931XXXX971) through which he communicated with Rutvik Jadhav (772XXXX688), who is the son of Kiran Jadhav.
- d. Based on the above, association of Nirmal Kumar Soni, Kiran Jadhav and Ashish Kelkar is depicted in the following chart -

**Illustration No. 1**



15. Connection between Nirmal Kumar Soni and Simi Bhaumik

- a. The CDRs of Nirmal Kumar Soni (773XXXX742) and Simi Bhaumik (974XXXX790 and 983XXXX790) have been analysed and it is observed that Nirmal Kumar Soni had exchanged SMS with Simi Bhaumik during the investigation period.
- b. Further, from analysis of geographical locations of meeting points, it is observed that Nirmal Kumar Soni and Simi Bhaumik had met in Kolkata on multiple occasions. The geographical location of meeting points for one such day i.e. August 06, 2022 is illustrated below:

**Illustration No. 2**



- c. It is also observed that there were multiple Whatsapp calls between mobile number of Simi Bhaumik (974XXXX790) and mobile number (931XXX971) which was saved and recorded/termed as “Vikash Parasar” in the mobile phone of Simi Bhaumik. In her statement recorded on January 19, 2023, Simi Bhaumik claimed that the said number is belonging to “Vikash Parasar”. However, during search and seizure, the mobile phone having the sim for the aforesaid mobile number (931XXXX971) was found to be in possession of Nirmal Kumar Soni. Additionally, Nirmal Kumar Soni, in his statement recorded on January 19, 2023, confirmed that the mobile number

931XXXX971 belonged to him. The ownership of the said mobile number was also found to be in the name of Nirmal Kumar Soni and the same got corroborated with CAF provided by the TSP.

- d. From the above, it can be inferred that Simi Bhaumik and Nirmal Kumar Soni were connected to each other during the relevant period. Further, the number 931XXXX971 (termed as “Vikash Parasar” in the mobile phone of Simi Bhaumik) was in actuality being used by/registered in the name of Nirmal Kumar Soni and the same number was also being used to interact with each other. Thus, for the purposes of this order, Vikash Parasar is to be seen as another name for Nirmal Kumar Soni.
- e. Thus, it can be seen that Nirmal Kumar Soni is connected to Simi Bhaumik.

16. Connection between Nirmal Kumar Soni and Kanhya Trading Company/ Nitin Chhalani.

a. The CDRs pertaining to the relevant period were analysed and it is observed that Nirmal Kumar Soni (773XXXX742) had communicated frequently with Nitin Chhalani (977XXXX111) over calls during the relevant period.

b. The various chats (as recovered from phone) shared between them have been analysed and it is observed that in one of the Whatsapp chats dated May 17, 2022, Nitin Chhalani had requested Nirmal Kumar Soni to get the password reset for MXX96 (which is short for Client Code N\_1XX81\_MXX96 that is associated with Kanhya Trading Company), and the same was done by Nirmal Kumar Soni. The screenshot of the said whatsapp has been illustrated below:

### Illustration No. 3

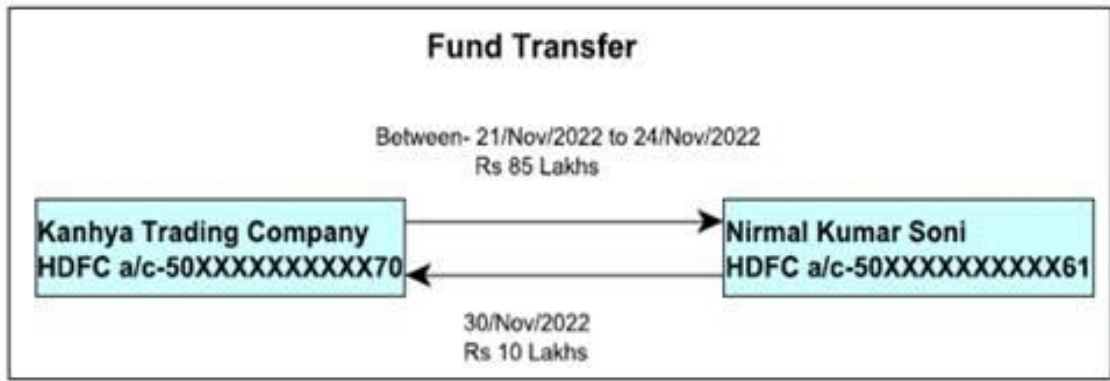
S. No.	WhatsApp Chats of Nirmal (773XXXX742) with Nitin (977XXXX111)
1	

c. It is observed that the client code was provided by the Stock Broker- Motisons Shares Pvt. Ltd. where Nirmal Kumar Soni used to work till July 2022, as *inter alia* mentioned in his statement recorded on January 19, 2023.

d. It is also observed that vide WhatsApp chat dated July 05, 2022, Nitin Chhalani had asked Nirmal Kumar Soni to execute trades in the account of Kanhya Trading Company held with Motisons Shares Private Limited. Further, it is observed from the multiple WhatsApp chats exchanged between them, that they both had shared passwords of different accounts with each other.

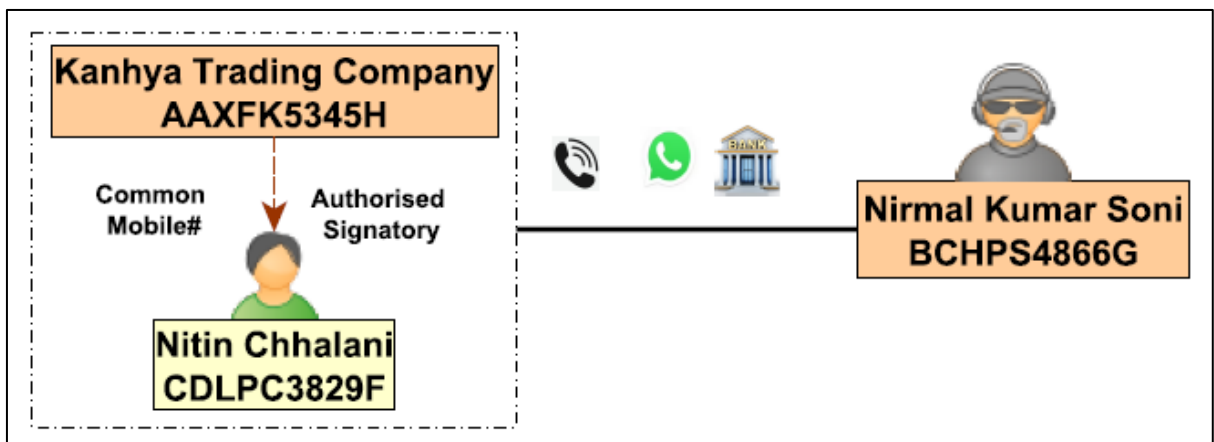
e. Analysis of the bank accounts shows that an amount of INR 85 Lakh was transferred from Kanhya Trading Company's bank account (HDFC A/c no. 50XXXXXXXXXX70) to Nirmal Kumar Soni's bank account (HDFC A/c no. 50XXXXXXXXXX61) between November 21, 2022 and November 24, 2022. An amount of INR 10 Lakh was seen to be transferred from Nirmal Kumar Soni's account to Kanhya Trading Company's account on November 30, 2022. The illustrated fund flow is depicted in the chart below-

#### Illustration No. 4



f. In view of the above, it can be seen that Nirmal Kumar Soni is connected with Nitin Chhalani and Kanhya Trading Company based on Whatsapp chats and fund transfers. It can also be seen that Nirmal Kumar Soni had access to the Login credentials (client code and password) of accounts of Kanhya Trading Company. The Connection of Nirmal Kumar Soni with Kanhya Trading Company/Nitin Chhalani is depicted below:

#### Illustration No. 5





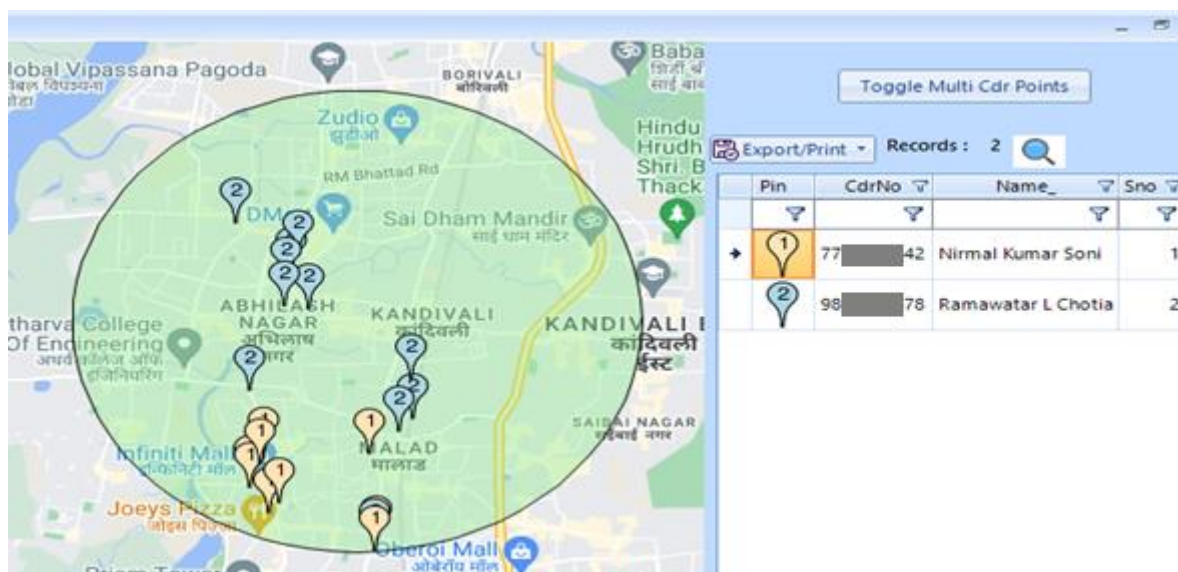
17. Connection amongst Nirmal Kumar Soni, SAAR Commodities Private Limited and SAAR Securities India Private Limited

- a. SAAR Securities India Private Limited (*Noticee No. 9*) served as the trading member of SAAR Commodities Private Limited (*Noticee No.3*).
- b. *Noticees Nos. 3 and 9* shared common directors (Rupesh Kumar Matoliya (*Noticee No. 7*) and Ajaykumar Ramakant Sharma (*Noticee No.8*) during the investigation period. Further, Ramawatar Lalchand Chotia (*Noticee No. 10*) was also a Director and Authorized Signatory of *Noticee No. 9* during the relevant period.
- c. Nirmal Kumar Soni had frequently communicated with Rupesh Kumar Matoliya, Ajaykumar Ramakant Sharma and Ramawatar Lalchand Chotia during the investigation period. Nirmal Kumar Soni also met with Ramawatar L. Chotia on multiple occasions in Mumbai and Jaipur, as seen from the analysis of geographical locations of mobile phones determined from the cell phone towers. Some of the illustrations of their meetings in Jaipur and Mumbai are provided below-

**Illustration No. 6**

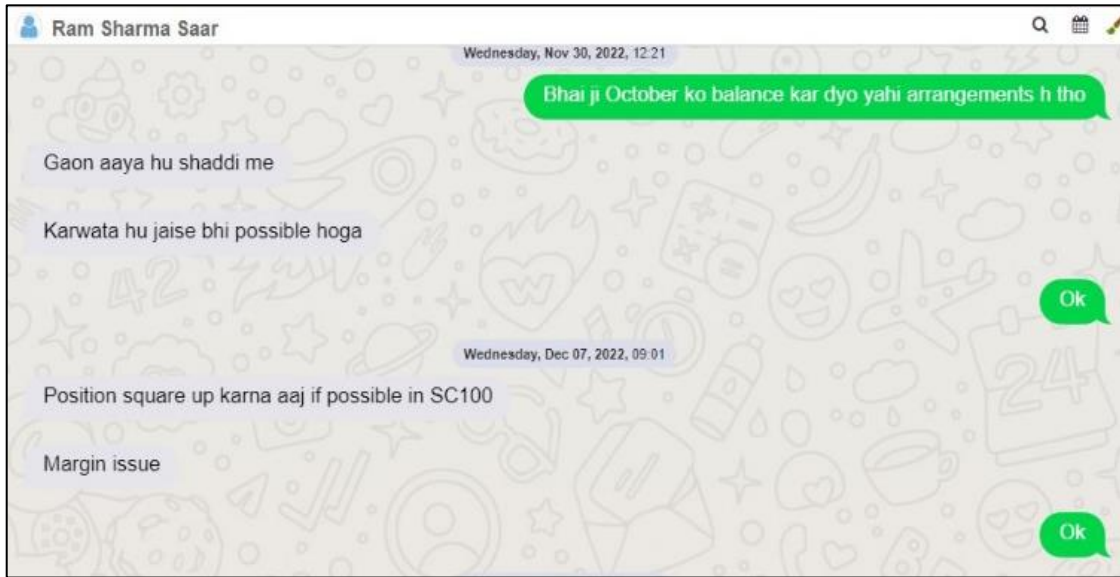


### Illustration No. 7



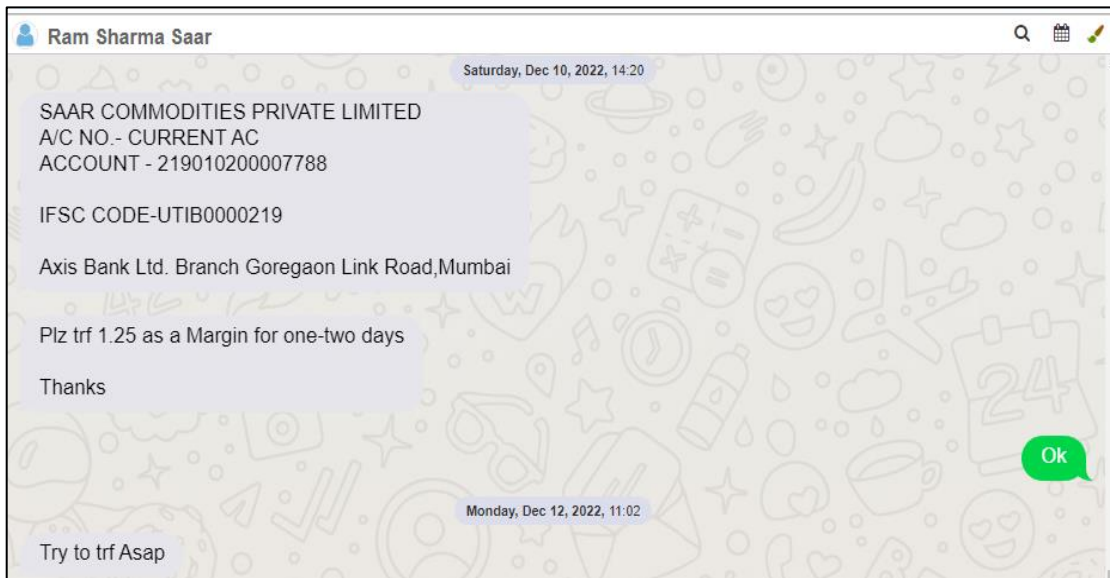
- d. The mobile number of Ramawatar Lalchand Chotia was saved as “Ram Sharma SAAR” in the mobile phone of Nirmal Kumar Soni. In one of the Whatsapp chats dated December 07, 2022 between Nimal Kumar Soni and Ramawatar Lalchand Chotia, it is observed that Ramawatar Lalchand Chotia requested Nirmal to square off open positions in the Client code SC100. This Client Code SC100 is of SAAR Commodities with SAAR Securities as the trading member. The screenshot of the above conversation is depicted below;

## Illustration No. 8



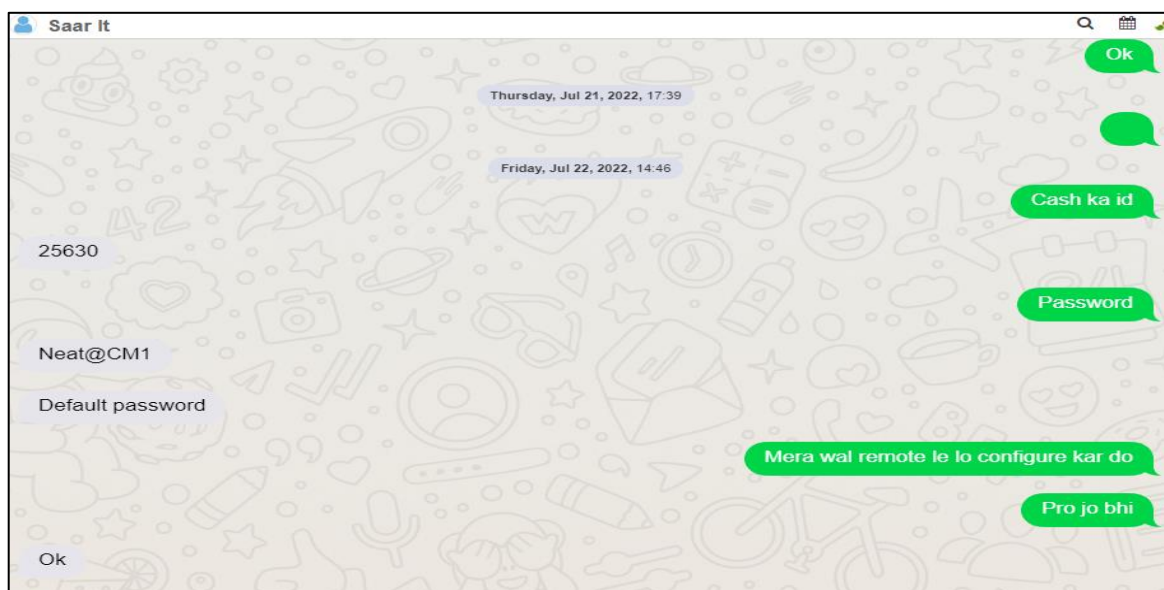
- e. In another Whatsapp chat dated December 10, 2022, Ramawatar Lalchand Chotia is seen to have instructed Nirmal Kumar Soni to transfer a specific sum to the bank account of SAAR Commodities for 1-2 days due to margin-related issues and the screenshot of the same is depicted herein.

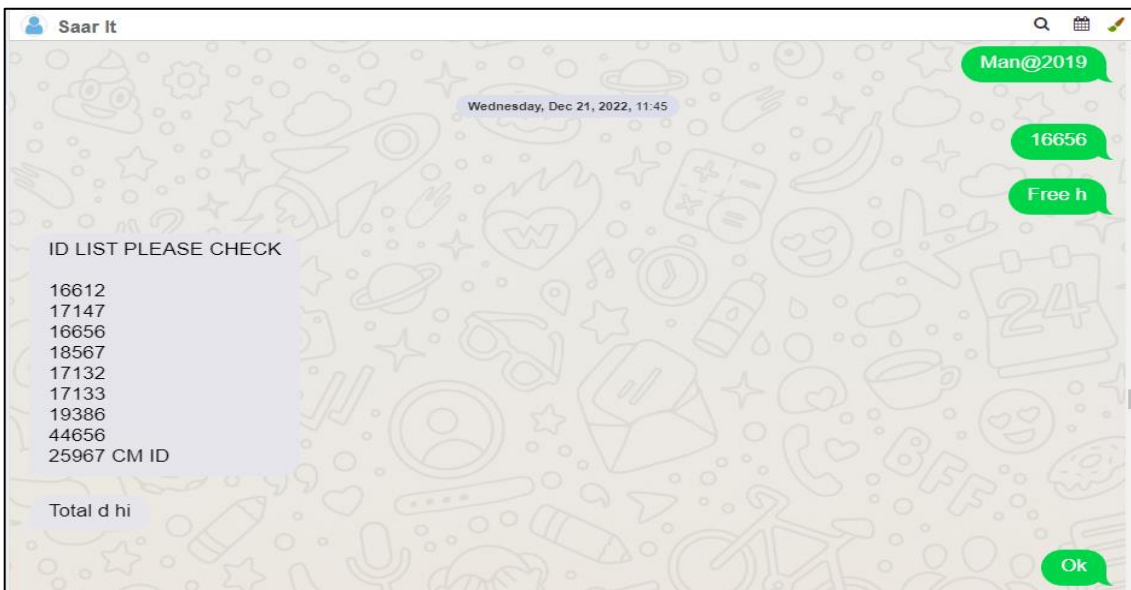
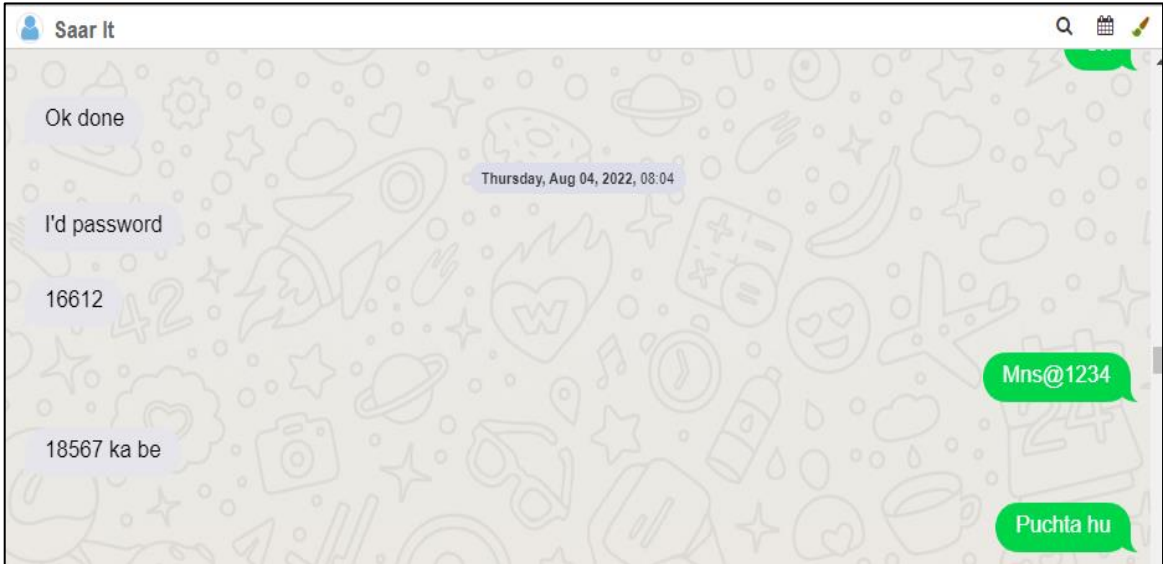
## Illustration No. 9



f. On analysis of Whatsapp chats of Nirmal Kumar Soni (773XXXX742), it is observed that on July 22, 2022, Nirmal Kumar Soni had received a User ID (25630) and corresponding password from one Mohammed Kammal Anwar (724XXXX882), whose name was saved as “SAAR IT” on his (Nirmal Kumar Soni) phone. Vide other Whatsapp chats, “SAAR IT” had shared comprehensive list of User IDs with Nirmal Kumar Soni for his review. Nirmal Kumar Soni also requested the said person to configure the aforementioned ID on his desktop using remote desktop software. As per email dated October 06, 2023 sent by NSE, Mr. Mohammed Kammal Anwar is identified as an employee of SAAR Securities who was responsible for IT related work. Further, it is observed that the User IDs mentioned in the Whatsapp chats belonged to NEAT Terminals of SAAR Securities India Private Limited which is the trading member of SAAR Commodities. The said fact is corroborated with the email dated September 04, 2022 sent by NSE. Some of the Whatsapp chats mentioning NEAT Terminal IDs and passwords are illustrated below-

#### Illustration No. 10





g. At this point, it is pertinent to note that manual dealer orders are placed on NSE trading system through NEAT Terminal or CTCL Terminal. For NEAT terminal, trading members are required to provide the details of device to map the IP addresses at the time of registration so as to have the validity and authentication of trades. Further analysis of the details pertaining to NEAT Terminals of SAAR Securities for placing dealer orders on NSE trading system, shows that the registered address for 14 terminals of SAAR

Securities matched with the registered office address of Manan Sharecom Pvt. Ltd. The same address is also mentioned in the Panchnama dated January 19, 2023 for Nirmal Kumar Soni. The details of the said 14 NEAT terminals as provided by NSE vide email dated September 04, 2022, are mentioned below-

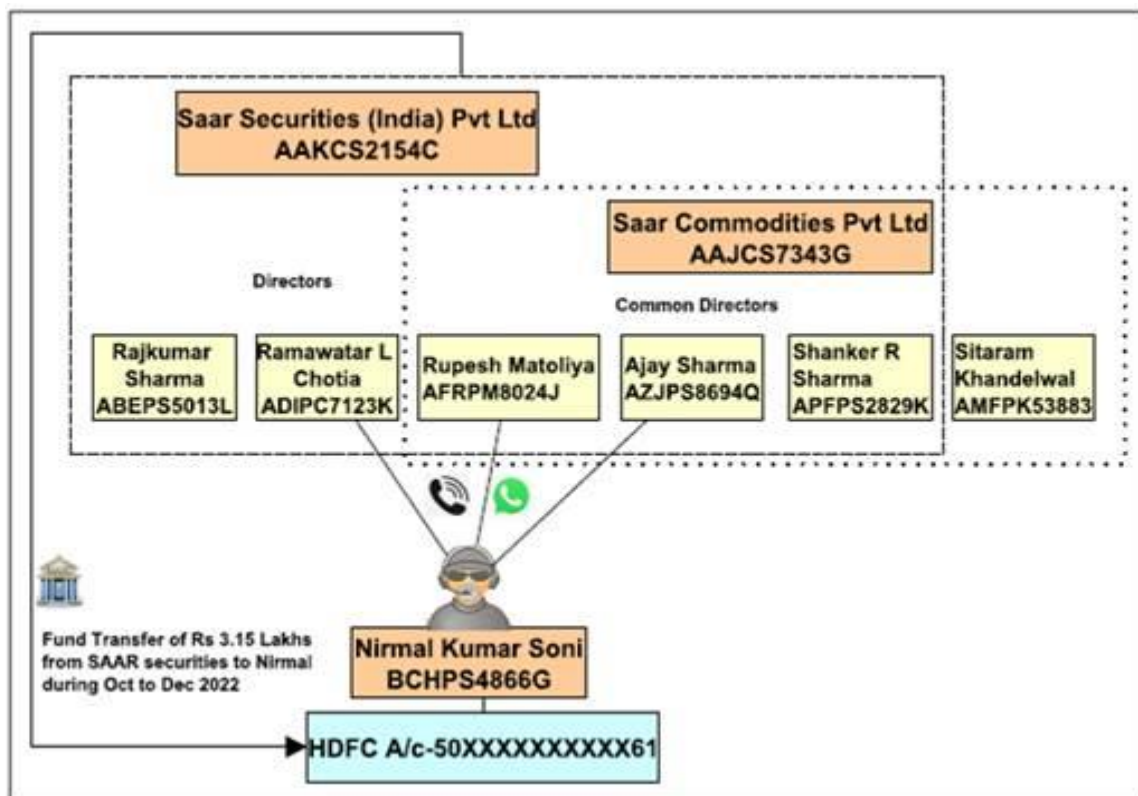
**Table No. 2**

<b>MEMBER_CODE</b>	<b>USER_ID</b>	<b>SEGMENT</b>	<b>DEALER_NAME</b>	<b>PAN NO</b>	<b>Address</b>
12856	25967	CM	Harsh Niraj Ruparelia	BXVPR6249B	208, EVERSHINE TOWER 2ND, AMRAPALI CIRCLE VAISHALI NAGAR, JAIPUR, RAJASTHAN 302021
12856	16656	FO	Vikash Shrivastava	BXCPS8836E	
12856	17132	FO	Vimalkumar Ramcharan Sharma	BOCPS2404F	
12856	17147	FO	Rakesh Shankarlal Sharma	BLLPS6414H	
12856	16612	FO	Vikram Jangid	AFXPJ7083C	
12856	18567	FO	Chandrakala Ramawatar Sharma	AJLPS4480N	
12856	19386	FO	Narendra Kumar	EGAPK0043R	
12856	44656	FO	Lokesh Kumar Solanki	CIUPS3262C	
12856	49662	FO	Uddesh Sharma	NMXPS3360H	
12856	49663	FO	Phool Singh	CHGPS1033Q	
12856	17133	FO	Rohit Prajapat	COEPP2884K	
12856	49659	FO	Vijay Verma	AFHPV5573K	
12856	49660	FO	Hemaraj Sharma	HKAPS1424M	
12856	49661	FO	Parsan Jeet Pal	BLMPP2439N	

- h. Upon analyzing the bank statements of Nirmal Kumar Soni (HDFC account –50XXXXXXXXXX61) and SAAR Securities (Axis account-21XXXXXXXXXX12), it is observed that a total sum of INR 3.15 Lakh was transferred from SAAR Securities' account to Nirmal Kumar Soni's account between October 17, 2022 and December 06, 2022.
- i. From the above narration of facts, it can be inferred that SAAR Securities and SAAR Commodities are associate/connected entities having common Directors i.e. Rupesh Kumar Matoliya (*Noticee No. 7*) and Ajaykumar Ramakant Sharma (*Noticee No.8*). Further, Ramawatar Lalchand Chotia, who is a Director of SAAR Securities, was communicating with Nirmal Kumar Soni regarding margin issues and transfer of funds to the account of SAAR Commodities. This further shows that Ramawatar Lalchand Chotia was aware about trades being executed by the *Noticee No. 1*, in the accounts of *Noticee No. 3*.
- j. Further, it is seen that Nirmal Kumar Soni was requested by Ramawatar Lalchand Chotia (*Noticee No. 10* and Director of SAAR Securities) to square off the positions in "SC100" which is the Client Code of SAAR Commodities with SAAR Securities. It can be inferred that the details of the trading account of SAAR Commodities was already available with Nirmal Kumar Soni.
- k. Further, Ramawatar Lalchand Chotia, being a Director of SAAR Securities, had requested Nirmal Kumar Soni to transfer funds to the bank account of SAAR Commodities for 1-2 days due to margin-related issues. Additionally, the details of the NEAT Terminals of SAAR Securities was shared with Nirmal Kumar Soni and the remote desktop software was also installed in the computer of Nirmal Kumar Soni, by an employee of SAAR Securities (*Noticee No. 9*).

- I. Based on the above evidences of connection of Nirmal Kumar Soni with Ramawatar Lalchand Chotia, Rupesh Kumar Matoliya, Ajaykumar Ramakant Sharma and SAAR Securities, it can be seen that knowingly information regarding trading account of SAAR Commodities and NEAT Terminals of SAAR Securities was provided to Nirmal Kumar Soni. It can also be seen that Nirmal Kumar Soni had access to the trading account of SAAR Commodities for executing trades.
- m. Thus, it can be seen that *Notices Nos. 7, 8, 9 and 10*, by accommodating Nirmal Kumar Soni, facilitated, aided and abetted him in executing trades in the account of SAAR Commodities Limited.
- n. The connection amongst Nirmal Kumar Soni, SAAR Commodities Private Limited and SAAR Securities India Private Limited is illustrated below-

**Illustration No. 11**



*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*



18. Connection amongst Guest Experts: CDRs of phone numbers belonging to/used by the Guest Experts have been analysed along with Whatsapp/Telegram chats from seized devices and the key observations of the analysis are as below:

- a. Analysis of CDRs indicates frequent calls between the phone numbers 988XXXX277 (registered in the name of Ashish Kelkar) and 772XXXX688 (registered in the name of Rutvik Jadhav, son of Kiran Jadhav). Further, CDRs also shows calls between the numbers 931XXX971 (registered in the name of Nirmal Kumar Soni) and 772XXXX688 (registered in the name of Rutvik Jadhav, son of Kiran Jadhav).
- b. There were frequent calls amongst Ashish Kelkar (988XXXX277), Himanshu Gupta (844XXXX469) and Mudit Goyal (925XXX511) throughout the investigation period.
- c. It is observed that Mudit Goyal (925XXXX511) had contacted Himanshu Gupta (844XXXX469) over calls during the investigation period. Further, it is observed from the Whatsapp chats between Ashish Kelkar and Kiran Jadhav that Himanshu Gupta and Mudit Goyal had visited them in Pune. In view of the said discussion, it can be seen that, Kiran Jadhav, Ashish Kelkar, Himanshu Gupta and Mudit Goyal are connected to each other.
- d. The analysis of CDRs also shows that Simi Bhaumik (983XXXX790) communicated with Kiran Jadhav (982XXXX880) and Mudit Goyal(925XXXX511) over phone calls. It can be seen that Simi Bhaumik is connected to Kiran Jadhav and Mudit Goyal.
- e. Thus, it can be seen that the Guest Experts have frequently communicated with each other during the investigation period.

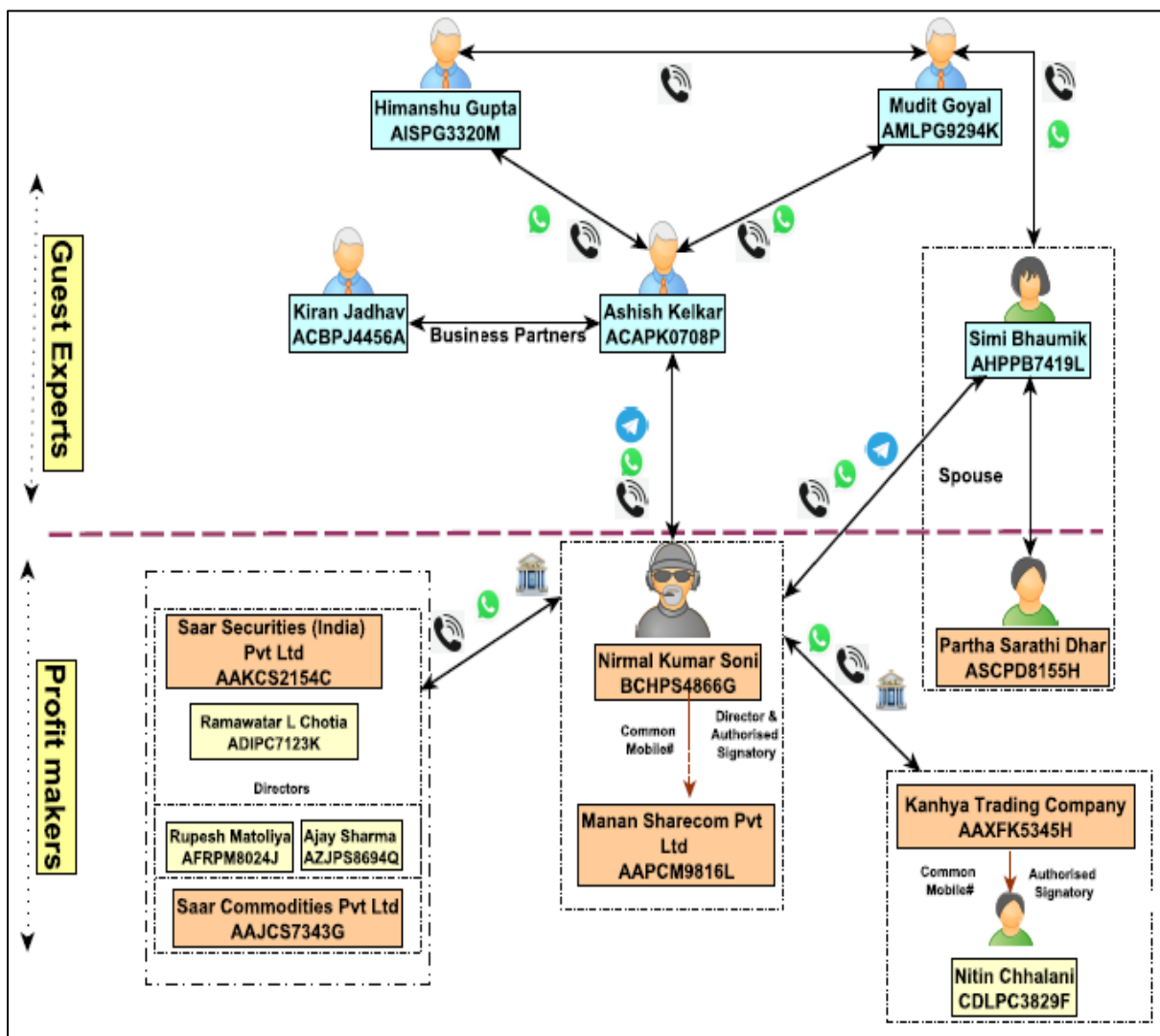
19. In view of the above discussion, it is seen that-

- a. Ashish is connected to Kiran Jadhav, Himanshu Gupta and Mudit Goyal through calls based on CDR;

- b. Simi Bhaumik is connected to Mudit Goyal and Kiran Jadhav through calls based on CDR;
- c. Mudit Goyal and Himanshu Gupta are also connected through calls based from CDR and they both have also visited Kiran Jadhav and Ashish Kelkar in Pune.

20. Based on above it is seen that there are evidences which demonstrates connections amongst *Noticees*. The connection running through the three sets of entities i.e. *Noticees* can be depicted as per the following illustration.

**Illustration No. 12**



*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*



***E. Sharing of information in advance about stock recommendation by Guest Experts and trades carried out by Profit Makers based on such advance information.***

21. Having seen connection amongst *Noticees*, I now proceed to take note of evidence of direct/indirect sharing of non-public information regarding recommendations, by *Guest Experts* to *Profit Makers* in advance. Thereafter, it needs to be seen whether the said non-public advance information was used for taking positions in scrip/contract in the trading account of *Noticee Nos. 1 to 5 (Profit Makers)* and whether they were squared off immediately after the said recommendations were broadcasted.

22. Based on analysis of the available records, many instances of sharing of advance information by *Guest Experts* to *Profit Makers*, and subsequent trading based on such information, have been observed. Details of such trades are being provided separately. However, some of these instances are being discussed in the immediately succeeding paragraphs.

**E.1. Sharing of advance information between Simi Bhaumik and Partha Sarathi Dhar followed with trade by Partha Sarathi Dhar and Nirmal Kumar Soni (Manan Sharecom Private Limited)**

23. It is observed from the available records that on August 25, 2022, Simi Bhaumik recommended 'Buy' for BALRAMPUR CHINI' on Zee Business. The evidence in the

form of video recording obtained from the said news channel shows that the recommendation “BALRAMPUR CHINI” appeared on the screen at around 10:42AM. The screenshot below depicts such recommendation.

Screenshot no. 1



24. On analysis of the Whatsapp chats shared between Simi Bhaumik (974XXXX790) and Partha Sarathi Dhar (974XXX921), it is seen that the *Guest Expert* Simi Bhaumik had shared information about her recommendation to buy ‘BALRAMPUR CHINI’ at 10:21 AM, in advance, with Partha Sarathi Dhar. Same can be seen from the screenshot below-

Screenshot no. 2



25. An analysis of the trades executed by Partha Sarathi Dhar on August 25, 2022, showed the following:

**Table No. 3**

DATE	SYMBOL	INSTRUMENT TYPE	BUY QUANTITY	BUY VALUE	BUY ORDER START TIME	SELL QUANTITY	SELL VALUE	SELL ORDER START TIME	Rec o Time
25/08/22	BALRAMCHIN	FUTSTK	33,600	1,21,27,120.00	10:35:24	33,600	1,22,30,400.00	10:41:56	10:41:00

26. From the above, it is seen that Partha Sarathi Dhar had advance information of the recommendation to be made by his wife Simi Bhaumik on Zee Business. The above screenshot shows that Simi Bhaumik had shared her recommendations with Partha Sarathi Dhar before recommending the same on Zee Business. Thus, she facilitated Partha Sarathi Dhar to take a position or execute trade based on such advance information of recommendation being broadcasted. The above screenshot also shows that Simi Bhaumik, apart from sharing the non-public information pertaining to her recommendation, also used to share details of recommendation of other *Guest Expert* as the screenshot of Whatsapp chat also talks about the recommendation of another *Guest Expert* Mudit Goyal being shared by Simi Bhaumik with her husband Parth Sarathi Dhar.

27. Further, it has already been seen in the earlier part of this order that Partha Sarathi Dhar is husband of Simi Bhaumik (Para 12.2) and there is connection between Simi Bhaumik and Nirmal Kumar Soni (Director and Authorised Signatory of Manan Sharecom Private Limited) (para 15). From the materials gathered in the course of investigation, it has also been seen that Nirmal Kumar Soni is also trading in the option contracts of "BALRAMPUR CHINI", in the account of Manan Sharecom

Private Limited (*Noticee* No. 4, where *Noticee* No. 1 Nirmal Kumar Soni is a Director and Authorised Signatory).

28. The summary of trading activity of Partha Sarathi Dhar and Manan Sharecom Private Limited in the contract BALRAMPUR CHINI SEP Futures and BALRAMPUR CHINI 360 CE, based on advance information from Simi Bhaumik is as follows:

**Table No. 4**

Entity Name	Partha Sarathi Dhar		Manan Sharecom Private Limited	
PAN	(ASCPD8155H)		(AAPCM9816L)	
Contract Name	BALRAMPUR CHINI SEP Futures		BALRAMPUR CHINI 360 CE	
Expiry Date	September 29, 2022			
Trade Leg	First leg of Trade	Second leg of Trade	First leg of Trade	Second leg of Trade
	Buy	Sell	Buy	Sell
Date	August 25, 2022			
Order Start Time	10:35:24 AM	10:41:56 AM	10:39:47 AM	10:41:35 AM
Order End Time	10:39:53 AM	10:41:56 AM	10:39:56 AM	10:44:13 AM
Trade Start Time	10:35:28 AM	10:42:14 AM	10:39:47 AM	10:42:12 AM
Trade End Time	10:39:53 AM	10:42:15 AM	10:39:57 AM	10:44:14 AM
Average Price	360.93	364.00	21.60	23.21
Traded Quantity	33,600	33,600	1,08,800	1,08,800
Total Value Traded (₹)	1,21,27,120	1,22,30,400	23,50,000	25,25,360
Client Traded Val to Market Val	0.44%		2.65%	
Client Traded Val in the select security vis-à-vis all securities in the market	25.61%		7.20%	
Profit	1,03,280		1,75,360	

29. From the above it is observed that both Partha Sarathi Dhar and Manan Sharecom initiated their Buy orders at 10:35:24 Hrs and 10:39:47 Hrs, respectively, just before broadcasting of the recommendation on Zee Business at around 10:42 AM. Further, the sell orders were placed by Partha Sarathi Dhar at 10:41:56 Hrs and by Manan Sharecom between 10:41:35 Hrs and 10:44:13 Hrs i.e. around the time when the

relevant recommendation was being aired on the news channel. An immediate question that may come up in mind may be about the sell order start time being just before the public announcement of the recommendation by Simi Bhaumik. In this respect, it is noticed that the aforementioned *Noticees* have placed **limit sell orders**. That means when they saw Simi Bhaumik on the channel they knew about the impending recommendation and also knew that once recommendation is made, share price would go up. Hence, they placed limit sell order at higher price which got executed after the recommendation was made and price rose following the recommendation. Thus, as per the calculation on table above, profit amounting to INR 1,03,280 was made by Partha Sarathi Dhar and amounting to INR 1,75,360 was made by Manan Sharecom, based on advance information of the recommendation to be made by Simi Bhaumik..

E.2. Sharing of advance information between Mudit Goyal and Partha Sarathi Dhar via Simi Bhaumik and subsequent trade by Partha Sarathi Dhar

30. From the materials available on record, it is observed that on May 13, 2022, Mudit Goyal had recommended “Coromandel 900 CE” on Zee Business at 12:46 PM. On May 20, 2022, he had also recommended “SBILife 1080 CE” at 12:48 PM. The same are illustrated below-

**Screenshot no. 3**

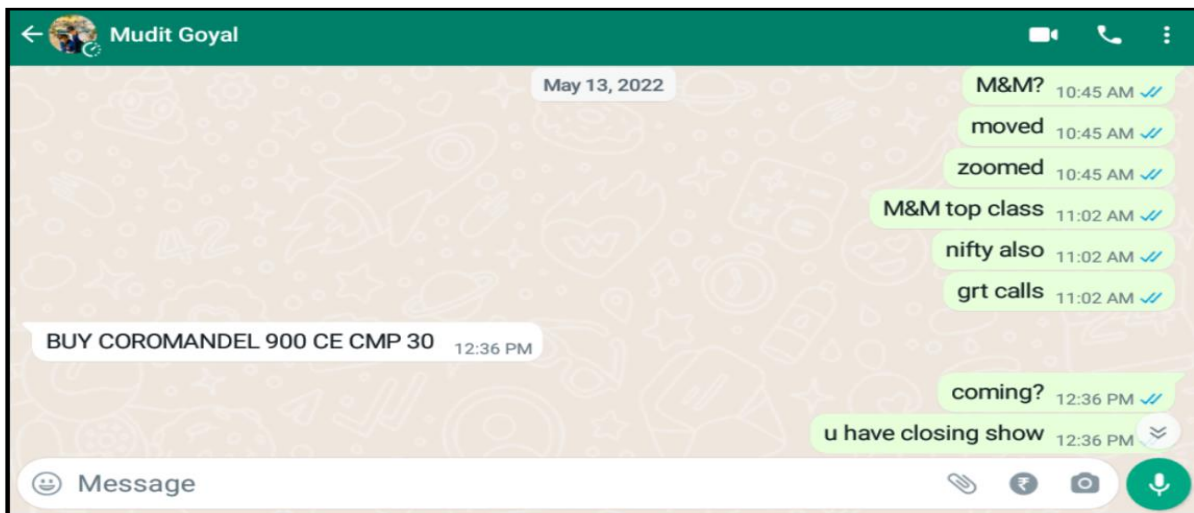


*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*



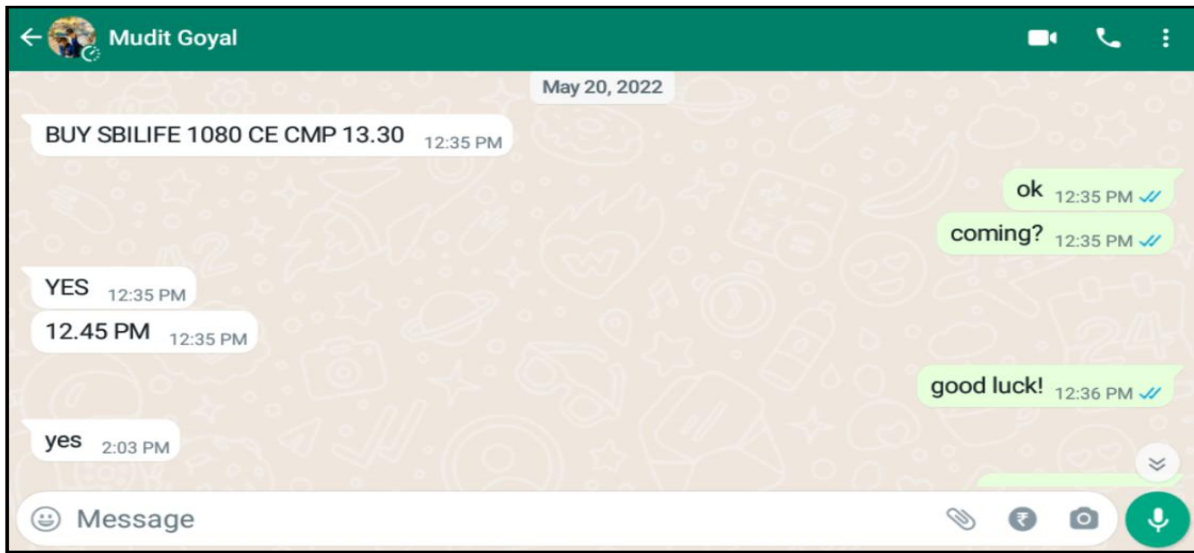
31. From the Whatsapp chats retrieved from the mobile phone of Simi Bhaumik (974XXXX790), it is observed that Mudit Goyal (925XXXX511) had shared his above recommendations for Coromandel 900 CE with Simi Bhaumik at 12:36 PM on May 13, 2022 and for SBILife 1080 CE at 12:35 PM on May 20, 2022. The Whatsapp chats exchanged between Simi Bhaumik and Mudit Goyal are shown below-

Screenshot no. 4



In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel





32. For the purpose of assessing whether the above information was just a sharing of information between Guest Experts in the ordinary course of their business of giving stock recommendations or the same was used for some other purposes, an analysis of the trades executed by Partha Sarathi Dhar (husband of Simi Bhaumik) on May 13, 2022 and May 20, 2022 has been carried out, which revealed the following-

**Table No. 5**

DATE	SYMBOL	INSTR TYPE	BUY QTY	BUY VALUE	BUY TRADE START TIME	SEL L QTY	SELL VALUE	SELL TRADE END TIME	Reco Time
13-May-22	COROMANDEL	FUTS TK	625	5,66,250.00	12:44:28	625	5,67,531.25	12:46:41	12:46
20-May-22	SBILIFE	FUTS TK	2,250	24,32,437.50	12:36:42	2,250	24,33,900	12:48:35	12:48

33. On assessing the sequence of above events, it is seen that Simi Bhaumik received recommendations in advance from Mudit Goyal and in turn she passed on the information to her husband Partha Sarathi Dhar, who then executed trades based on receipt of those recommendations. It can further be seen that the trading

activities/ decisions of Partha Sarathi Dhar were influenced by the advance information received from Simi Bhaumik, who in turn received those recommendations from Mudit Goyal. Considering the connections and other material evidence, the above sharing of information by Mudit Goyal to Simi Bhaumik and then to Partha Sarathi Dhar, who then executed trades in that segment suggest that sharing of information by Mudit Goyal was not in the ordinary course of sharing between two experts.

**E.3. Sharing of advance information amongst Mudit Goyal, Simi Bhaumik and Nirmal Kumar Soni**

34. From the evidence collected during investigation, it is observed that Nirmal Kumar Soni had two mobile numbers registered in his name (discussed at para 11) It was also seen that a WhatsApp chat between Simi Bhaumik and Mudit Goyal was shared by Nirmal Kumar Soni from his one mobile number (931XXXX971) to his other mobile number (773XXX742). The screenshot of the same is shown below-

**Screenshot no. 5**

S. No.	WhatsApp Chat of Nirmal (931XXXX971) with other mobile number of Nirmal (773XXX742)
1	

35. From the above, it is seen that Nirmal Kumar Soni had information regarding WhatsApp chats shared between Simi Bhaumik and Mudit Goyal. The chat dated October 25, 2022 indicates that Mudit Goyal had communicated to Simi Bhaumik about his intent to temporarily discontinue sharing of stock recommendations in advance with her. It can be inferred that Simi Bhaumik not only shared her stock recommendations with Nirmal Kumar Soni but also passed on information about stock recommendations to be given by Mudit Goyal. During the investigation, it has been seen that the aforementioned WhatsApp chats were not found in the seized devices of Simi Bhaumik and Mudit Goyal, which implies that these WhatsApp chats were deleted by them from their mobile phones. However, these WhatsApp chats recovered from the mobile of Nirmal Kumar Soni demonstrates sharing of advance information about stock recommendation by Mudit Goyal to Simi Bhaumik and from Simi Bhaumik to Nirmal Kumar Soni.

E.4. Sharing of advance information amongst Mudit Goyal, Simi Bhaumik (and Partha Sarathi Dhar), Kiran Jadhav and Nirmal Kumar Soni and trading based on such information

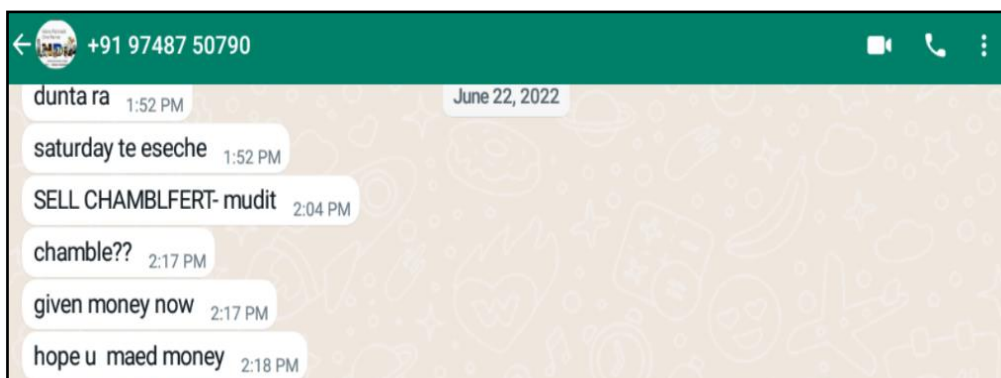
36. Another instance has been observed where there was flow of information amongst certain *Noticees*. On June 22, 2022 at 02:10 PM, Mudit Goyal had recommended to “sell” “CHAMBLFERT” on Zee Business as illustrated by the screenshot below:

Screenshot no. 6



37. The Whatsapp chats retrieved from the seized devices show that the information regarding above mentioned recommendation was shared by Simi Bhaumik (974XXXX790) with Partha Sarathi Dhar (974XXXX921) at 02:04 PM indicating it to be a forthcoming recommendation from Mudit Goyal, to be broadcasted on Zee Business.

Screenshot no. 7



*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

38. In order to assess whether the advance knowledge of the recommendation was used for the purpose of making trades, an analysis of the trades executed by SAAR Commodities Private Limited and Partha Sarathi Dhar in “CHAMBLFERT” revealed as under:

**Table No. 6**

<b>DATE</b>	22-Jun-22		
<b>SYMBOL</b>	CHAMBLFERT		
<b>PAN</b>	<b>AAJCS7343G</b>		<b>ASCPD8155H</b>
<b>Client Name</b>	<b>SAAR Commodities Private Limited</b>		<b>Partha Sarathi Dhar</b>
<b>INSTRUMENT TYPE</b>	OPTSTK		FUTSTK
<b>OPTION TYPE</b>	PE		FF
<b>STRIKE PRICE</b>	280.00	270.00	0.00
<b>EXPIRY DATE</b>	30-Jun-2022		
<b>BUY QTY</b>	45,000	60,000	6,000
<b>BUY VALUE (in lakhs)</b>	4,65,825	3,55,275	16,62,975
<b>BUY TRADE START TIME</b>	14:00:20	14:00:34	-
<b>BUY TRADE END TIME</b>	-	-	15:01:35
<b>SELL QTY</b>	45,000	60,000	6,000
<b>SELL VALUE (in lakhs)</b>	4,92,675.00	3,75,525.00	16,66,200.00
<b>SELL TRADE END TIME</b>	14:15:54	14:15:15	-
<b>SELL TRADE START TIME</b>	-	-	14:09:30
<b>Recommendation Time</b>	~14:10		

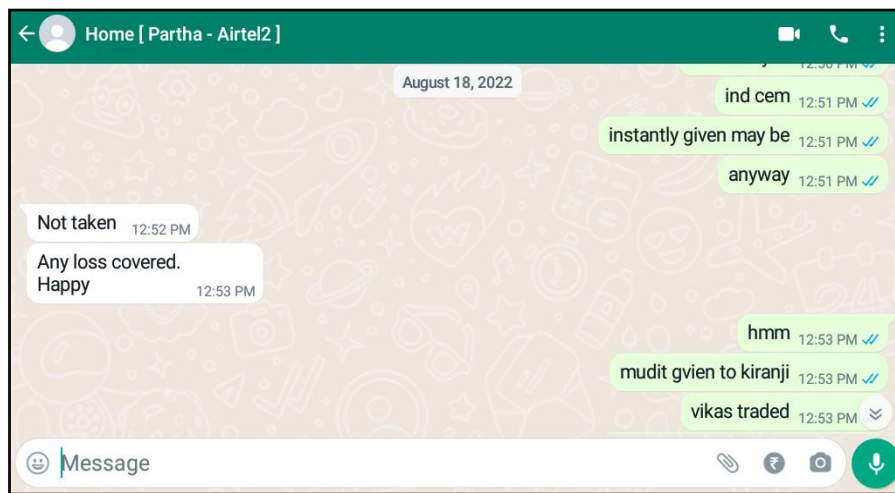
39. From the above, it can be seen that the “sell” recommendation pertaining to “CHAMBLFERT” was broadcasted at 14:10 Hrs. It is further observed that the first leg of the trades was initiated by SAAR Commodities at 14:00:20 Hrs (for buying of PUT option, quantity of 45,000) and at 14:00:34 Hrs (for buying of PUT option, quantity 60,000), which is before the telecast of the recommendation) and the second leg of the trades was executed at 14:15:54 Hrs and 14:15:15 Hrs respectively, which are immediately after the broadcast of the recommendation in the scrip of CHAMBL FERT. Similarly, first leg of the trade was initiated by Partha Sarathi Dhar at 14:09:30 Hrs (which is sell of June futures contract, right before the

time of broadcast of the recommendation) and the second leg of the trade was executed at 15:01:35 Hrs (which is buy of June futures contract, after the broadcast of the recommendation). Further, the connection between Nirmal Kumar Soni and SAAR Commodities has already been established (para17).

40. From the above, it can be seen that trades executed by Nirmal Kumar Soni through SAAR Commodities and by Partha Sarathi Dhar in the scrip of CHAMBLFERT, were executed based on the advance knowledge of the recommendations received by them.

41. There is another incident noted from the extracted Whatsapp chat dated August 18, 2022 between Simi Bhaumik and Partha Sarathi Dhar wherein Simi Bhaumik is found to have stated that recommendations were shared by Mudit to Kiran and that Vikash (already seen to be Nirmal Kumar Soni) traded on the basis of those recommendations. The screenshot of the relevant chat extract is produced below:

### Screenshot no. 8



42. It is also seen that on the same day i.e. August 18, 2022, Simi Bhaumik forwarded another Whatsapp conversation to Partha Sarathi Dhar wherein Nirmal Kumar Soni (named as Vikash Parasar in the chat) acknowledges the receipt of advance information from Kiran Jadhav regarding Mudit Goyal's recommendation to buy "IndiaCem". The screenshot of the relevant chat extract is produced below for reference:

**Screenshot no. 9**



43. In order to verify the chat message mentioning “*vikas traded*” that was shared between Simi Bhaumik and Partha Sarathi Dhar on August 18, 2022, the trading details of Nirmal Kumar Soni and Kanhya Trading Company were analysed and it is seen that trades were executed in the account of Kanhya Trading Company, which enjoyed strong connection with Nirmal Kumar Soni through the Noticee No. 6 (Nitin Chhalan) as seen at para 16. Further, Nirmal Kumar Soni was also having login credential of Kanhya Trading Company, in whose account the trade was executed. The trading details, as analysed, are as follows:

**Table No. 7**

DATE	SYMBOL	OPERATION TYPE	STRIKE PRICE	PAN	Client Name	BUY QTY	BUY VALUE (in lakhs)	BUY TRADE START TIME	SELL QTY	SELL VALUE (in lakhs)	SELL TRADE END TIME	Reco Time
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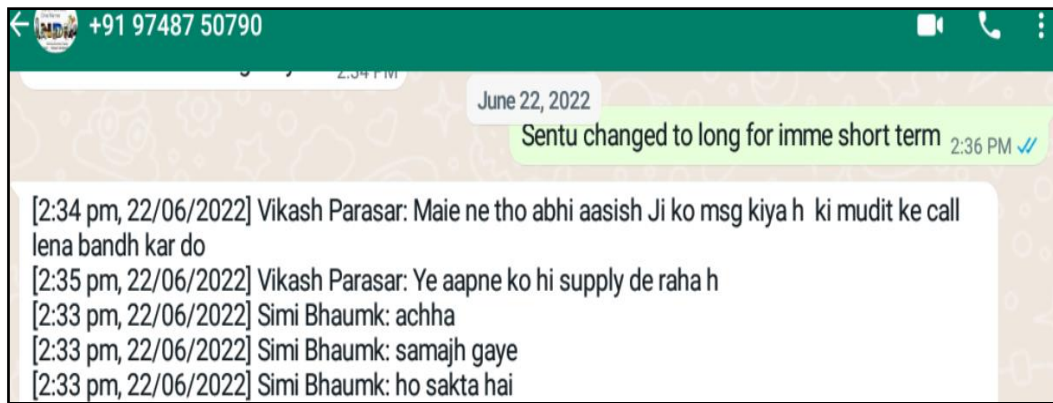
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18-Aug-22	INDIA CEM	CE	200	AAX FK53 45H	Kanhya Trading Company	1,97,200	11.13	12:45:05	1,97,200	11.31	12:52:07	12:51
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44. On the basis of the foregoing, it is seen that advance knowledge of the non-public information pertaining to the recommendations was shared amongst Simi Bhaumik, Mudit Goyal and Kiran Jadhav. It can also be seen that the advance information regarding the recommendations of Simi Bhaumik, Mudit Goyal and Kiran Jadhav was shared with Nirmal Kumar Soni, who used various trading accounts including that of Kanhya Trading Company for taking positions in the market and subsequently squaring them off on the same day after the recommendations were broadcasted.

45. Further, in Whatsapp chats of 22 June 2022, a conversation was forwarded by Simi Bhaumik to Partha Sarathi Dhar in which it was stated by Vikash Parasar [already seen to be another name for Nirmal Kumar Soni] that he has asked Aasish (Ashish Kelkar) to stop taking calls from Mudit (Mudit Goyal). The screenshot of the relevant chat extract is reproduced below:

**Screenshot no. 10**



46. As noted earlier at para 15(c), the mobile number 931XXXX971 was used by/ registered in the name of Nirmal Kumar Soni, even though it was saved in the phone



of Simi Bhaumik as 'Vikash Parasar'. From the above Whatsapp chat, it can be seen that Nirmal Kumar Soni was referring to his communication with Ashish Kelkar regarding calls of Mudit Goyal. It can also be seen that Simi Bhaumik and Nirmal Kumar Soni shared information pertaining to recommendations of Ashish Kelkar and Mudit Goyal and the above further suggests that information was knowingly shared through *Guest Experts* with the *Profit Makers*, particularly with the Noticee Nos. 1 and 2.

E.5. Acknowledgement of sharing of advance information, trades based on such information and sharing of profit from such trades by Noticees

47. The sharing of advance information of recommendations, subsequent trade based on such information and further sharing of profit, can also be corroborated from the statements recorded on January 19, 2023 of Simi Bhaumik, Mudit Goyal, Kiran Jadhav, Ashish Kelkar and Nirmal Kumar Soni.

48. In the statement of **Simi Bhaumik** recorded on January 19, 2023, following was *inter alia* stated by her:

*“Q13. Do you also provide the stock recommendation calls to your client base/ other entities prior to recommending the same on channel Zee Business? If yes, explain and provide details.*

*A.13. Yes, I share my calls with my clients and my husband prior to recommending the same on Zee Business.*

*Q14. How do you know Nirmal Soni (773XXXX742)?*

*A14. Nirmal Soni (from Jaipur) contacted me in June, 2021. Thereafter, he subscribed to my website and paid the subscription fees. After one month, he contacted me and told me he wanted to start a profit-sharing arrangement with me. As per this arrangement, he would pay me a share of 50% of the profits*

*made by him from trading, in lieu of informing him about my recommendations prior to sharing the same on Zee Business.*

*As per this arrangement, he has paid me total cash of around Rs. 75 lacs in person each time at Haldirams, Rabindra Sadan, Kolkata in 3 installments till date. I am yet to receive around Rs. 1 crore more from him.”*

49. Similarly, it is noted that **Mudit Goyal**, in his statement recorded on January 19, 2023, *inter alia*, stated the following:

*“I Mudit Goyal hereby admitted that .....I share my Stock Recommendation to ....., Kiran Jadhav & Simi Bhaumik and Ashish Kelkar. We initiate position before appearing to media (Zee Business) and Exit positions after giving calls on Zee Business.....”*

50. Further, **Kiran Jadhav**, in his statement recorded on January 19, 2023, *inter alia*, stated as under:

*“I Kiran Jadhav, do hereby agree that we had given intra day stock recommendations in advance before coming on live television in Zee Business to Mr. Nirmal Soni and he parted some of the profits to us via cash.....We also used to receive such recommendations from Mr. Mudit Goyal before going live and we used to share these recommendations with Mr. Nirmal Soni.....”*

51. Further, in the statement of examination on oath of **Ashish Kelkar** which was recorded on January 19, 2023, the following was *inter alia* stated by him:

*“Q40. Elaborate your association and arrangement with Nirmal Soni.*

*A40. ...I used to pass on our own stock recommendations to Nirmal Soni through Telegram chat 30 to 40 seconds before going live on TV. As stated above, I also used to pass on Mudit Goyal’s recommendations which I used to receive from him before he used to go live on Zee Business with Nirmal Soni through Telegram chat.....Information was passed on to Nirmal Soni since last 7-8 months....”*

52. It is also observed that the statement of **Nirmal Kumar Soni** was recorded on January 19, 2023 in Hindi. In the said statement, Nirmal Kumar Soni *inter alia* stated the following:

*“Q18. क्या सिमी भौमिक Zee Business पे recommendation on stocks देने से पहले आपके साथ शेयर करती है?”*

*“हां वो सबको शेयर करते हैं। हम उस के बाद हमारे चार्ट पर देखते सबको टाइम 2 मिनट से 5 मिनट पहले भी देती है”*

For ease of reference, the above statement has been transcribed in English and the same is mentioned below:

*“Yes she shared with everyone. After that we used to check the chart and we used to get 2 minutes to 5 minutes in advance.”*

#### E.6. Sharing of advance information amongst Ashish Kelkar, Simi Bhaumik and Nirmal Kumar Soni and trade based on such information

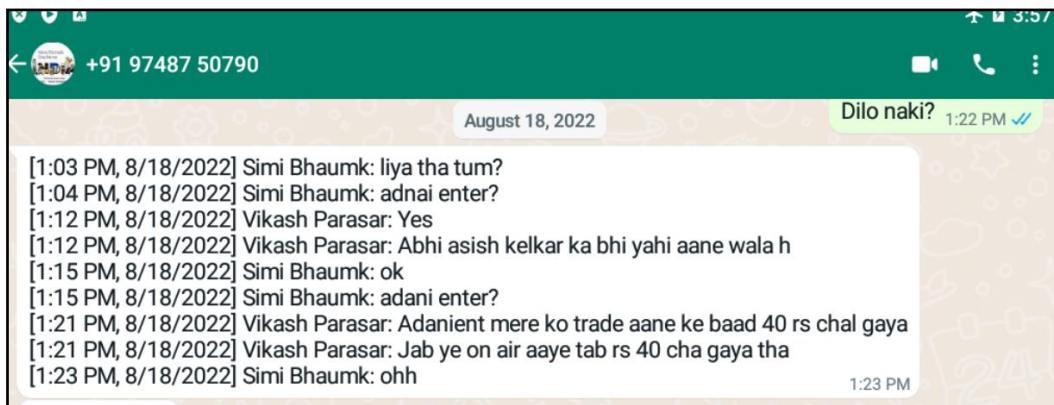
53. On August 18, 2022, a recommendation to “BUY” ADANI ENT was made by Ashish Kelkar at around 13:13 Hrs on Zee Business as illustrated by the screenshot below:

Screenshot no. 11



54. An extracted Whatsapp chat for the same day shows that a conversation was forwarded by Simi Bhaumik to Partha Sarathi Dhar wherein Nirmal Kumar Soni (named as Vikash Parasar in the chat) indicated (at 01:12 PM) that Ashish Kelkar was also going to recommend “ADANIENT” soon and his subsequent chats indicated that he had entered into trades based on this advance knowledge. The screenshot of the relevant chat extract is produced below for reference:

Screenshot no. 12



55. On analysis of the trading details of *Noticees*, it was observed that certain trades were executed through Kanhya Trading Company. A brief analysis of the trade in 'ADANI ENT' based on such advance knowledge has been given below:

**Table No. 8**

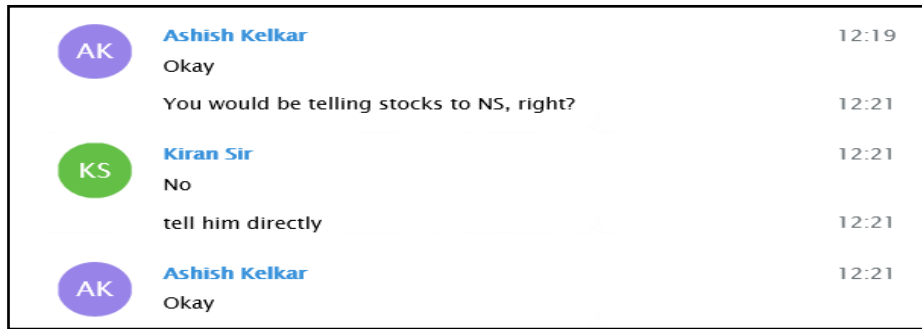
<b>DATE</b>	18-Aug-22
<b>SYMBOL</b>	ADANIENT
<b>PAN</b>	AAXFK5345H
<b>Client Name</b>	Kanhya Trading Company
<b>INSTRUMENT TYPE</b>	OPTSTK
<b>OPTION TYPE</b>	CE
<b>STRIKE PRICE</b>	3,100.00
<b>EXPIRY DATE</b>	25-Aug-2022
<b>BUY QUANTITY</b>	50,500
<b>BUY VALUE</b>	29,15,175.00
<b>BUY TRADE START TIME</b>	12:59:42
<b>SELL QUANTITY</b>	50,500
<b>SELL VALUE</b>	32,99,025.00
<b>SELL TRADE END TIME</b>	13:14:55
<b>Guest</b>	Ashish Kelkar
<b>Reco Time</b>	~13:13

56. From the above screenshots, it is observed that advance knowledge regarding the recommendation pertaining to 'ADANI ENT' was shared amongst Ashish Kelkar, Simi Bhaumik and Nirmal Kumar Soni. Further, it can be seen that advance information of the said recommendation was used by Nirmal Kumar Soni to execute trades in the trading account of Kanhya Trading Company.

E.7. Sharing of advance information amongst Ashish Kelkar, Kiran Jadhav, Nirmal Kumar Soni and Nitin Chhalani


57. A Telegram chat dated March 16, 2022 between Ashish Kelkar and (988XXXX277) and Kiran Jadhav (982XXXX880) has been retrieved which indicates that they discussed about sharing stocks recommendation with Nirmal Kumar Soni (NS). The screenshot of the said chat is shown below-

### Screenshot no. 13



58. It is noticed that a whatsapp conversation took place on June 30, 2022 between Nirmal Kumar Soni and Ashish Kelkar. On July 01, 2022 Nirmal Kumar Soni (from his number 773XXXX742). had shared a screenshot of the aforesaid conversation with Nitin Chhalani (977XXXX111). Perusal of the said conversation shared with Nitin Chhalani shows that Ashish Kelkar had informed Nirmal Kumar Soni well in advance about the timings of the appearance of himself and other *Guest Experts*, referred to as HG and MG (short name for Himanshu Gupta and Mudit Goyal, respectively) in the said conversation. Furthermore, in the same conversation, Ashish Kelkar had also shared details of impending stock recommendations from Himanshu Gupta and Mudit Goyal, with Nirmal Kumar Soni. These original chats/messages were not found in chat/message exchanged between Nirmal Kumar Soni and Ashish Kelkar, However, a screenshot of the said conversation was found in the chat exchanged between Nirmal Kumar Soni and Nitin Chhalani. The said screenshot of the conversations dated June 30, 2022 is produced below

Table no. 9

S. No.	Screenshot shared in WhatsApp chat between Nirmal (77XXXXX742) and Nitin Chhalani (97XXXXX111)-July 1, 2022
1.	

59. On analysing the video recordings of Zee Business shows for June 30, 2022, it is observed that the timing of the appearances of Guest Experts viz., Mudit Goyal, Himanshu Gupta, and Ashish Kelkar was around the same time as informed by Ashish Kelkar to Nirmal Kumar Soni. The screenshots of video recordings for June 30, 2022 are produced below-

Table No.10

Description	Screenshot
<p>Screenshot 1</p> <p>Guest Expert- Himanshu Gupta</p>	
<p>Screenshot 2</p> <p>Guest Expert- Himanshu Gupta</p>	

In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel



Description	Screenshot
<p>Screenshot 3</p> <p>Guest Expert- Ashish Kelkar</p>	
<p>Screenshot 4</p> <p>Guest Expert- Mudit Goyal</p>	

*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

Description	Screenshot
<p>Screenshot 5</p> <p>Guest Expert- Mudit Goyal</p>	

60. The below table illustrates the details of messages (as seen in the above screenshots) sent by Ashish Kelkar to Nirmal Soni w.r.t. appearance of *Guest Experts*:

**Table No. 11**

Date	Guest Expert	Time of message	Appearance as per message	Actual time of Appearance	Screenshot No. (Screenshot provided in the table 10 above)
June 30, 2022	HG (Himanshu Gupta)	09:06 AM	09:20 AM	09:24 AM	1
		09:06 AM	Closing Show	03:04 PM	2
	AK (Ashish Kelkar)	09:06 AM	01:30 PM Show	01:30 PM	3
	MG (Mudit Goyal)	09:09 AM	09:35 Option Phoner	09:48 AM	4
			12:30 PM Show	12:32 PM	5

*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

61. Further, it is observed that the scrips/contracts recommended by the aforementioned *Guest Experts* i.e. Himanshu Gupta, Ashish Kelkar and Mudit Goyal, were also the same as informed by Ashish Kelkar in the Whatsapp chat dated June 30, 2022, prior to broadcast of the recommendations. The same can be observed from the table below:

**Table No. 12**

<b>Date</b>	<b>Guest Expert</b>	<b>Time of message</b>	<b>Recommendation as per message</b>	<b>Actual Recommendation time</b>	<b>Actual Recommendation</b>	<b>Screenshot No. (Screenshot provided in following table)</b>
June 30, 2022	HG (Himanshu Gupta)	09:18 AM	Buy Tata Motors	09:25 AM	Buy Tata Motors Jul Fut	6
		09:23 AM	Buy IndiaCem	09:26 AM	Buy India Cements Jul Fut	7
	MG (Mudit Goyal)	09:47 AM	ITC 270 CE JULY	09:49 AM	Buy ITC 270 CE (JULY)	8

62. Below table further contains the screenshots of the video recording of Zee Business shows provided by ZMCL for June 30, 2022.

Table no. 13

Description	Screenshot												
<p>Screenshot 6</p>	<p><b>अमेरिकी वायदा बाजार</b></p> <p><b>BTST CALL</b> Tata Motors Jul Fut खरीदें</p> <table border="1"> <tr><td>PRICE</td><td>423.60</td></tr> <tr><td>TARGET</td><td>432/435</td></tr> <tr><td>STOPLOSS</td><td>417</td></tr> </table> <p>हिमांशु गुप्ता ग्लोबल कैपिटल मार्केट्स</p> <p><b>बड़ी खबर</b></p> <p>Mahanagar Gas 10 46.7k 768.35 ▲ M&amp;M 5 9.3k 1104.50 ▼ 6.50 Maruti</p> <p><b>BTST CALL</b> BUY TODAY Tata Steel Fut 888.00 6.65 TGT 902/912 SL 878</p> <p>CRUDE CHECK BRENT CRUDE ▲ 0.35 NYMEX CRUDE ▲ 0.33 MCX Copper 694.25 0.00</p>	PRICE	423.60	TARGET	432/435	STOPLOSS	417						
PRICE	423.60												
TARGET	432/435												
STOPLOSS	417												
<p>Screenshot 7</p>	<p><b>Dow Futures</b> 30921.00 -0.25% <b>Nasdaq Futures</b> 11651.25 -0.34%</p> <p><b>BTST CALL</b> India Cements Jul Fut खरीदें</p> <table border="1"> <tr><td>PRICE</td><td>163.10</td></tr> <tr><td>TARGET</td><td>170/172</td></tr> <tr><td>STOPLOSS</td><td>160</td></tr> </table> <p><b>BTST CALL</b> Tata Motors Jul Fut खरीदें</p> <table border="1"> <tr><td>PRICE</td><td>423.60</td></tr> <tr><td>TARGET</td><td>432/435</td></tr> <tr><td>STOPLOSS</td><td>417</td></tr> </table> <p><b>TIES WITH BUNGE TO FORM ORIGEO IN BRAZIL</b> UPL Ltd 641.70 ▼ 2.70 (0.42%)</p> <p>Prestige Est 10 8.8k 399.6 MIDCAP &amp; SMALLCAP STOCKS</p> <p>Straits Times 3122.39 12.48 MCX Crude 8680.00 94.00</p>	PRICE	163.10	TARGET	170/172	STOPLOSS	160	PRICE	423.60	TARGET	432/435	STOPLOSS	417
PRICE	163.10												
TARGET	170/172												
STOPLOSS	160												
PRICE	423.60												
TARGET	432/435												
STOPLOSS	417												
<p>Screenshot 8</p>	<p><b>अमेरिकी वायदा बाजार</b></p> <p><b>छोटा ऑप्शन बड़ी कमाई</b> ITC 270 (JULY) @ 9 खरीदें</p> <table border="1"> <tr><td>TARGET</td><td>15/18</td></tr> <tr><td>STOP LOSS</td><td>6</td></tr> </table> <p>ITC 273.95 -0.10</p> <p><b>SELLING IN STOCK</b> Aavas Financiers Ltd 2044.20 1.62%</p> <p>Tata Consumer 51000.00 ▼ 520.00 MCX Crude 0 1.9k 8</p> <p><b>बाजार का हाल</b> Nifty 50 15877.40 0.50% Sensex 53328.98 0.57% Nifty Bank 33605.85 1.01%</p> <p>MARKET UPDATE Sensex ▲ 307.01 Nifty 50 ▲ 78.10 MCX Crude 8698.00 76.00</p>	TARGET	15/18	STOP LOSS	6								
TARGET	15/18												
STOP LOSS	6												

In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel

63. Relevant trades executed by one of the Profit Makers (SAAR Commodities) on June 30, 2022 is shown below-

**Table No. 14**

D A T E	S Y M B O L	OPTI ON T Y P E	ST R I K E P R I C E	PA N	Client Name	BUY QTY	BU Y V A L U E (in lakh s)	BUY T R A D E S T A R T T I M E	SELL QTY	SELL V A L U E (in lakhs )	SELL T R A D E E N D T I M E	Rec o T i m e
30 - Ju n- 22	I T C	CE	27 5	AAJ CS7 343 G	SAAR Comm odities Private Limite d	3,36,0 00	22.7 2	09:47: 46	3,36,0 00	23.38	09:53: 54	09:4 9

64. It is also noticed that, in addition to the above, the investigation has also gathered information containing multiple chats of Ashish Kelkar sharing certain calculations with Kiran Jadhav, in which there was also a reference of Nirmal (Nirmal Kumar Soni) and HG (Himanshu Gupta). Based on these evidences, followings are observed:

64.1. Ashish Kelkar not only communicated the timings of his appearances on Zee Business to Nirmal Kumar Soni but also shared the schedule of appearances of other Guest Experts, namely Himanshu Gupta and Mudit Goyal.

64.2. Additionally, Ashish Kelkar provided Nirmal Kumar Soni with stock recommendations attributed to Himanshu Gupta and Mudit Goyal.

64.3. Nirmal Kumar Soni (773XXXX742 and 931XXXX971) and Ashish Kelkar (988XXXX277) had deleted relevant chats/messages (with respect to appearance of and stock recommendation given by Guest Experts) from their

mobile phones. However, the screenshot of the message (as shown in the Table 9 above) was recovered from the mobile phone number 773XXXX742 of Nirmal Kumar Soni as it was forwarded to Nitin Chhalani.

64.4. Guest Experts were knowingly sharing information about the scrip/segment to be recommended by them in the program on Zee Business.

E.8 Trades of SAAR Commodities Private Limited and Manan Sharecom Private Limited based on recommendations of Kiran Jadhav

65. It is observed that Kiran Jadhav gave the following recommendation under the tagline '**SPECIAL PICKS**' on Zee Business for the scrip '**IndiaMART Limited**':

**Table No. 15**

Scrip/contract	Recommendation	Date and time of recommendation	Target Price (INR)
INDIAMART 4600 CE	Buy	September 02, 2022 (Around 2:15 PM)	580 to 600



*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

66. Further, analysis of trading activity by the *Profit Makers* show that Manan Sharecom and SAAR Commodities Private Limited have got exposure in the contract of INDIAMART 4600 CE and details of which are the following:

**Table No. 16**

Entity Name	Manan Sharecom Private Limited		SAAR Commodities Private Limited	
PAN	(AAPCM9816L)		(AAJCS7343G)	
Contract Name	INDIAMART 4600 CE			
Expiry Date	September 29, 2022			
Trade Leg	First leg of Trade	Second leg of Trade	First leg of Trade	Second leg of Trade
	Buy	Sell	Buy	Sell
Date	Sep 02, 2022			
Order Start Time	2:07:50 PM	2:15:46 PM	2:13:20 PM	2:15:16 PM
Order End Time	2:11:35 PM	2:16:29 PM	2:15:38 PM	2:15:28 PM
Trade Start Time	2:07:50 PM	2:15:46 PM	2:13:20 PM	2:15:16 PM
Trade End Time	2:11:35 PM	2:16:31 PM	2:15:38 PM	2:15:31 PM
Average Price	248.9	334.43	290.94	317.67
Traded Quantity	14,550	14,550	4,500	4,500
Total Value Traded (INR)	36,21,443	48,65,985	13,09,208	14,29,500
Client Traded Val to Market Val	2.33%		0.75%	
Client Traded Val in the select security vis-à-vis all securities in the market	8.39%		2.41%	
Profit	INR 12,44,542		INR 1,20,292	

67. From the above, it can be seen that both the entities Manan Sharecom and SAAR Commodities initiated their buy orders at 2:07:50 PM and 2:13:20 PM, respectively, which is immediately preceding the relevant recommendation that was broadcasted on the show around 02:15 PM. Further, sell orders were placed by Manan Sharecom between 02:15:46 PM and 02:16:29 PM and by SAAR Commodities between 02:15:16 PM and 02:15:28 PM immediately after the recommendation was aired. Details in the above table also shows substantial amount of profit has been earned by those two *Noticees* through trades executed following the sharing of recommendation to be aired by the Experts on Zee Business. It has already been discussed in earlier part of this order that Nirmal Kumar Soni is a Director and the Authorised Signatory of Manan Sharecom Private Limited (para 12.1) connection of Kiran Jadhav with Nirmal Kumar Soni has already been discussed at para14. Further, connection of Nirmal Kumar Soni with SAAR Commodities has already been discussed at para17. Further, sharing of advance information between Kiran Jadhav and Nirmal Kumar Soni has been discussed at para 50, which have further got the corroboration from trades executed by *Profit Maker(s)* based on the advance sharing of the recommendation.

#### E.9. Trades of Kanhya Trading Company based on recommendations of Ashish Kelkar

68. It is observed that Ashish Kelkar gave the following recommendation on a show on Zee Business for the scrip '**GNFC Limited**'

**Table No. 17**

<b>Scrip/contract</b>	<b>Recommendation</b>	<b>Date and time of recommendation</b>	<b>Buy at (INR)</b>	<b>Target Price (INR)</b>
GNFC 800CE	Buy	August 17, 2022 (Around 01:35 PM)	20	minimum Target Price of ₹35



				and Stop Loss of ₹17
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69. The summary of trading activity of Kanhya Trading Company in the contract of GNFC 800 CE is as follows:

Table No.18

Entity Name	Kanhya Trading Company	
PAN	(AAXFK5345H)	
Contract Name	GNFC 800 CE	
Expiry Date	August 25, 2022	
Trade Leg	First leg of Trade	Second leg of Trade
	Buy	Sell
Date	August 17, 2022	
Order Start Time	1:34:01 PM	1:36:02 PM
Order End Time	1:34:12 PM	1:37:00 PM
Trade Start Time	1:34:01 PM	1:36:02 PM
Trade End Time	1:34:12 PM	1:37:02 PM
Average Price	17.11	21.64
Traded Quantity	75,400	75,400
Total Value Traded (INR)	12,90,445	16,31,500
Client Traded Val to Market Val	0.70%	
Client Traded Val in the select security vis-à-vis all securities in the market	2.41%	
Profit	INR 3,41,055	

*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

70. The trade analysis shows that Kanhya Trading Company initiated its Buy orders at 1:34:01 PM i.e. immediately before the recommendation was broadcasted on the show around 01:35 PM. Further, the sell orders were placed by the entity between 1:36:02 PM and 1:37:00 PM i.e. immediately after the recommendation was aired. The above table also shows that through the above mentioned trade, substantial amount of profit was earned by the *Notictee*. The connection of Nirmal Kumar Soni with Ashish Kelkar has been discussed at para 14. The connection of Nirmal Kumar Soni with Kanhya Trading Company has been discussed at para 16. Further the sharing of advance information between Ashish Kelkar and Nirmal Kumar Soni has been discussed at para 57-58. These communications were recovered from another phone of Nirmal Kumar Soni (773XXXX742). This establishes the complete connection of scrip/contract recommendation by Ashish Kelkar and trading by Kanhya Trading company based on such recommendations.

E.10. Trades of SAAR Commodities Private Limited and Manan Sharecom Private Limited based on recommendations of ‘Himanshu Gupta’

71. On September 20, 2022, Himanshu Gupta gave the following recommendation under the tagline ‘Hitman Himanshu’ on Zee Business for the scrip ‘PNB 42CE’:

**Table No. 19**

<b>Scrip/contract</b>	<b>Recommendation</b>	<b>Date and time of recommendation</b>	<b>Buy at (INR)</b>	<b>Target Price (INR)</b>
PNB 42CE	Buy	September 20, 2022 (Around 02:27 PM)	1.20	Target Price of 2.50 to 2.75 with Stop Loss of 0.80

72. The screenshots of the said recommendation are provided below-

Screenshot no. 14



73. It has been seen that the *Notices Nos. 3* (SAAR Commodities Private Limited) & *4* (Manan Sharecom Private Limited) have executed trades and the summary of the trading activity of SAAR Commodities and Manan Sharecom in the contract of 'PNB 42 CE' are placed below:

*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

**Table No. 20**

<b>Entity Name</b>	<b>SAAR Commodities Private Limited</b>		<b>Manan Sharecom Private Limited</b>	
<b>PAN</b>	<b>(AAJCS7343G)</b>		<b>(AAPCM9816L)</b>	
<b>Contract Name</b>	<b>PNB 42 CE</b>			
<b>Expiry Date</b>	<b>September 29, 2022</b>			
<b>Trade Leg</b>	<b>First leg of Trade</b>	<b>Second leg of Trade</b>	<b>First leg of Trade</b>	<b>Second leg of Trade</b>
	Buy	Sell	Buy	Sell
<b>Date</b>	<b>Sep 20, 2022</b>			
<b>Order Start Time</b>	2:24:58 PM	2:27:35 PM	2:24:36 PM	2:28:43 PM
<b>Order End Time</b>	2:27:15 PM	2:29:26 PM	2:29:51 PM	2:28:48 PM
<b>Trade Start Time</b>	2:25:04 PM	2:27:35 PM	2:24:36 PM	2:28:44 PM
<b>Trade End Time</b>	2:27:15 PM	2:29:36 PM	2:29:51 PM	2:29:43 PM
<b>Average Price</b>	1.16	1.30	1.11	1.25
<b>Traded Quantity</b>	28,64,000	28,64,000	14,40,000	14,40,000
<b>Total Value Traded (INR)</b>	33,18,400	37,16,800	15,93,600	18,00,000
<b>Client Traded Val to Market Val</b>	2.14%		1.03%	
<b>Client Traded Val in the select security vis-à-vis all securities in the market</b>	4.27%		7.92%	
<b>Profit</b>	<b>3,98,400</b>		<b>2,06,400</b>	

74. From the above, it is observed that SAAR Commodities and Manan Sharecom had initiated their buy orders for 'PNB 42 CE' on September 20, 2022 at 2:24:58 PM and 2:24:36 PM, respectively, just before the recommendation which was telecasted on Zee Business at around 02:27 PM. Further, the sell orders were

placed by SAAR Commodities (between 2:27:35 PM and 2:29:26 PM) and Manan Sharecom (2:28:43 PM and 2:28:48 PM) immediately after the said recommendation was aired on Zee Business. It has further been noticed that the buy order by Manan Sharecom had commenced at 2:24:36 PM and continued till 2:29:51 PM, however, majority of trades were placed well before the show was broadcasted and only a very insignificant part of the total trades was placed at 2:29:51 PM. The above table also shows the substantial amount of profit earned by those two *Noticees* through their trading in PNB 42 CE contract, wherein Himanshu Gupta had made recommendation on the channel of Zee Business. It has already been discussed in earlier part of this order that Nirmal Kumar Soni is a Director and Authorised Signatory of Manan Sharecom Private Limited (para 12.1). Connection of Nirmal Kumar Soni with SAAR commodities has already been discussed at para 17. Further, sharing of advance information between Himanshu Gupta and Nirmal Kumar Soni (through Ashish Kelkar) has been discussed at para 58 and therefore, it can be evidently seen that trades in the account of Noticees Nos. 3 and 4 were influenced by the sharing of information pertaining to the recommendation to be made by Himanshu Gupta.

E.11. Trades of SAAR Commodities based on recommendations of *Mudit Goyal*

75. It is observed that on August 08, 2022, Mudit Goyal gave the following recommendation under the tagline '**Munafe wale Mudit**' on Zee Business for 'HINDCOPPER 105 CE':

**Table No. 21**

<b>Scrip/contract</b>	<b>Recommendation</b>	<b>Date and time of recommendation</b>	<b>Buy at (INR)</b>	<b>Target Price (INR)</b>
HINDCOPPER 105 CE	Buy	August 08, 2022 (Started speaking at around 1:05 PM, the	6.50	Target Price of 14

		screenshot is of 1:06PM when the recommendation was made )		with Stop Loss of 4
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76. The screenshot of the said recommendation is provided below-

### Screenshot no. 15



77. As observed above that having influenced by the sharing of non-public information pertaining to the recommendation by Guest Expert, trades were executed in the account of *Profit Makers*. Hence, an analysis was carried out to ascertain execution of trades in "HINDCOPPER 105 CE" and it has been noticed that trades were executed in the account of the *Noticee* No. 3. The Summary of the trading activity of SAAR Commodities with respect to 'HINDCOPPER 105 CE' on August 08, 2022 is placed below:

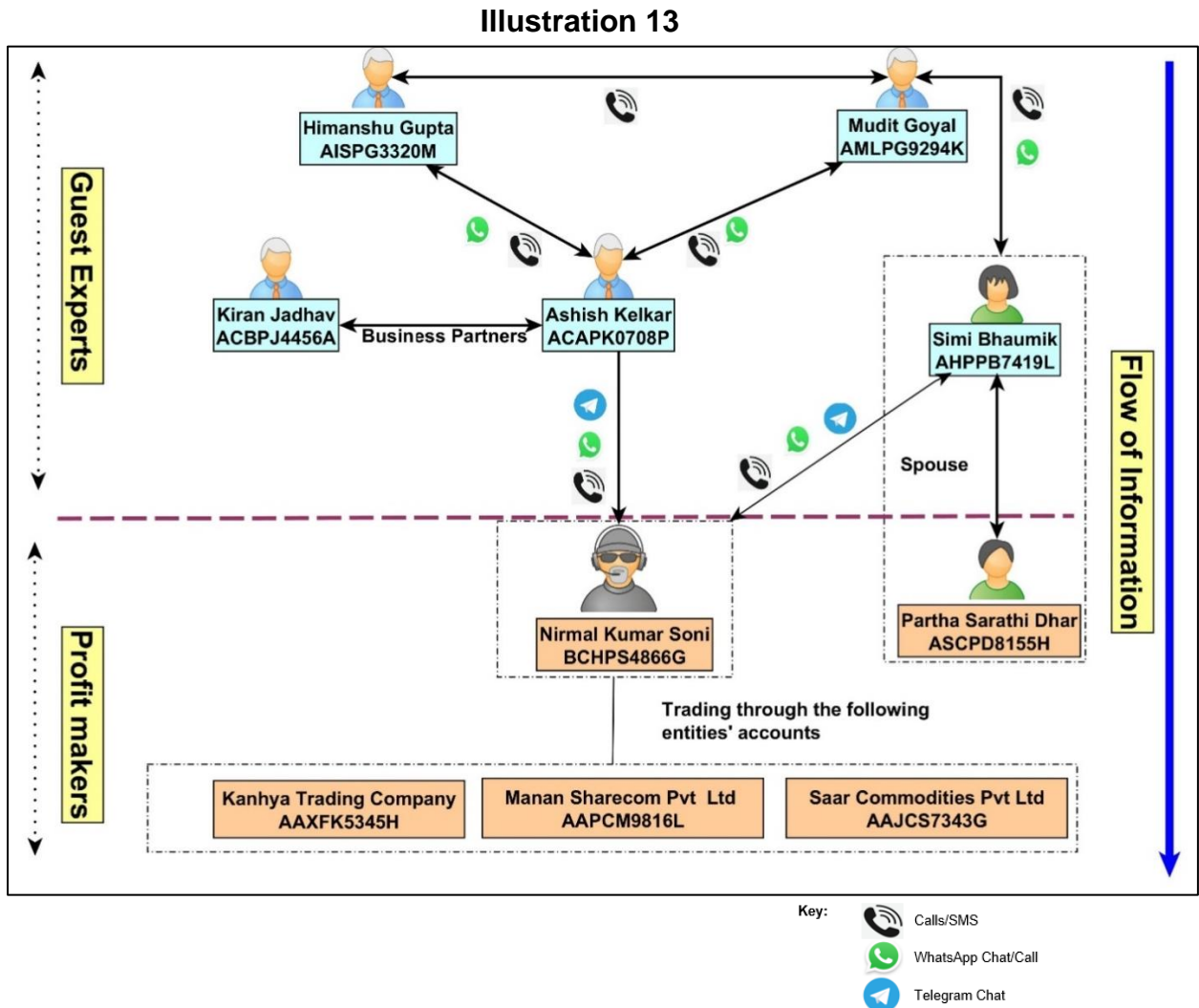
Table No. 22

Entity Name	SAAR Commodities Private Limited	
PAN	(AAJCS7343G)	
Contract Name	HINDCOPPER 105 CE	
Expiry Date	August 25, 2022	
Trade Leg	First leg of Trade	Second leg of Trade
	Buy	Sell
Date	August 08, 2022	
Order Start Time	12:54:50 PM	1:05:46 PM
Order End Time	12:56:18 PM	1:07:25 PM
Trade Start Time	12:54:50 PM	1:06:19 PM
Trade End Time	12:56:29 PM	1:07:39 PM
Average Price	5.77	7.02
Traded Quantity	2,53,700	2,53,700
Total Value Traded (INR)	14,62,645	17,81,060
Client Traded Val to Market Val	1.5%	
Client Traded Val in the select security vis-à-vis all securities in the market	2.18%	
Profit	3,18,415	

78. From the above, it is seen that SAAR Commodities had initiated the buy orders for "HINDCOPPER 105 CE" on August 08, 2022 at 12:54:50 PM, just before the recommendation of Mudit Goyal was aired on Zee Business. Further, the said *Noticee* had squared off the position and placed the **Limit sell orders** between 1:05:46 PM and 1:07:25 PM and the same were executed between 1:06:19 PM and 1:07:39 PM, which is around the same time as that of the recommendation. In the process, a substantial amount of profit of INR 3,18,415 was earned by the said *Noticee* through its above-mentioned *intraday* trade.

79. The connection between Nirmal Kumar Soni and SAAR Commodities Private Limited has been discussed at para 17. Sharing of advance information between Mudit Goyal and Nirmal Kumar Soni has been discussed at para 36-46.

80. The overall sharing of information/ recommendation between *Guest Experts* and *Profit Makers* can be summarized pictorially as below:



81. From the above, it is clear that the *Guest Experts*, directly/indirectly, used to share information with Nirmal Kumar Soni and Partha Sarathi Dhar, in advance, about the recommendations to be given by them on Zee Business. Certain instances have

*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*



also been observed where the advance information about recommendations was shared amongst the *Guest Experts*. Further, it is noted from the above illustrations that the *Notices Nos. 1 to 5* took positions in the scrip/contract right before the recommendations were made to the public. Subsequently, those positions were squared off after the recommendations were telecasted, at a favourable price than at which the positions were taken in the scrip/contract, thereby generating profits.

**F. Increase in trade volumes as well as positive movement of price in line with the direction of the recommendations**

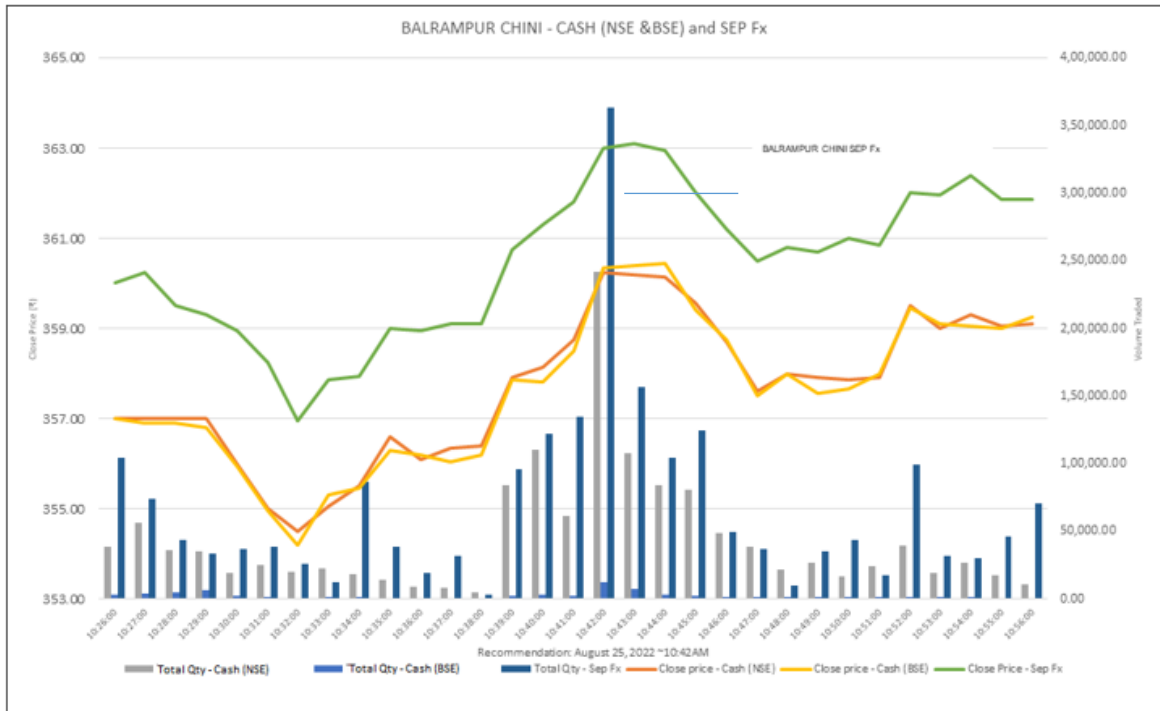
82. Having seen how advance information about *Guest Experts'* recommendations were shared with *Profit Makers* and how *Profit Makers* used that information to their advantage to make substantial profits, it is useful to look at some of these recommendations and their impact on the price and volume to understand how the recommendations of *Guest Experts* influenced the market price and volume.

**F.1 August 25, 2022: Trades of Partha Sarathi Dhar and Manan Sharecom Private Limited based on recommendations of Simi Bhaumik**

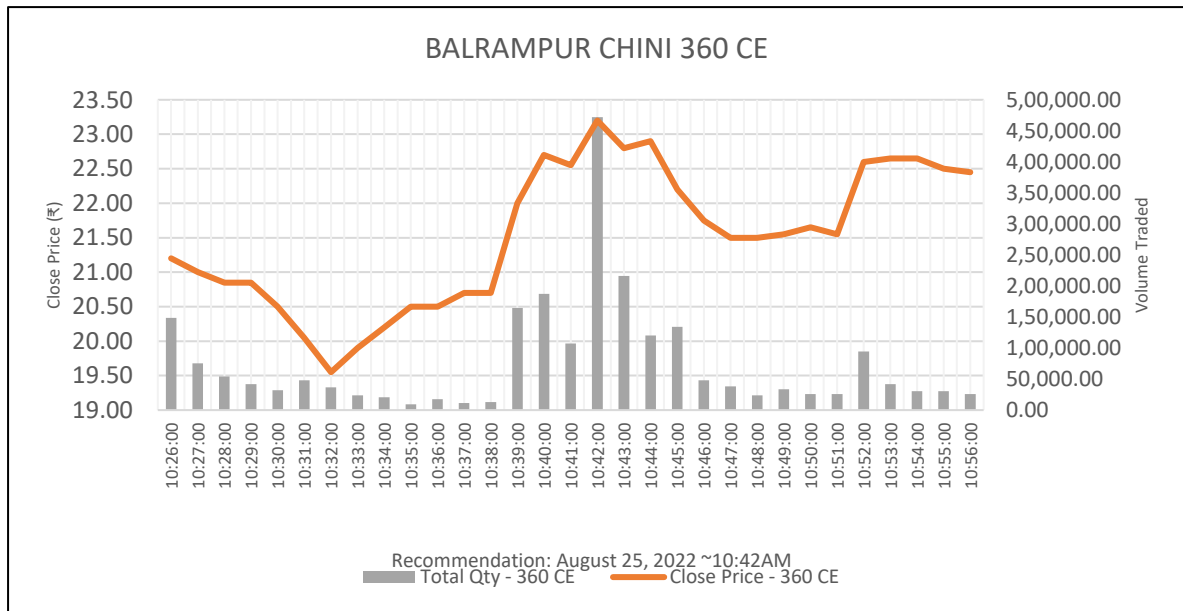
83. It has been seen at paras 23-29 that how the advance receipt of recommendation of Simi Bhaumik under the tagline “**SIMI KE NON STOP SHARES**” on Zee Business's for the scrip 'BALRAMCHIN' led to trading by Partha Sarathi Dhar and Nirmal Kumar Soni (as authorised signatory of Manan Sharecom Private Limited) resulting in earning substantial profit by them. It will be useful to examine the impact of such recommendation on price and volume of the scrip.

84. Analysis of the impact on the price and volume in the equity cash and derivative segment of the scrip BALRAMPUR CHINI on being recommended in the show, is illustrated below-

**Illustration 14**



**Illustration 15**



*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

**Table No. 23**

<b>Recommendation date</b>		<b>August 25, 2022</b>		
<b>Recommendation time (t)</b>		<b>~10:42 AM</b>		
<b>Scrip/Contract Recommended</b>		<b>BALRAMPUR CHINI</b>		
Recomm ended Levels (For Cash)	Recommended Price (INR)	360.3		
	Target Price (INR)	375-400		
	Stop Loss (INR)	-		
<b>Scrip/Contract</b>		BALR AMPU R CHINI (EQ)	BALRAM CHIN FF	BALRAM CHIN 360CE
<b>Price Impact Post Recomm endation</b>	Average High/ Low Variation % in preceding 15 mins [t-15]	0.24	0.26	2.26
	Average High/ Low Variation % during recommendation time and succeeding 2 mins [t and t+2]	0.48	0.47	3.77
	Average High/ Low Variation % in succeeding 15 mins [t+15]	0.29	0.27	2.23
<b>Volume Impact Post Recomm endation</b>	Avg Trading Vol in Preceding 15 mins [t-15] (number of shares/underlying shares)	35,640	50,987	58,987
	Avg Trading Vol during recommendation time and succeeding 2 mins [t and t+2] (number of shares/underlying shares)	1,44,327	2,18,133	2,65,067
	Avg Trading Vol for succeeding 15 mins [t+15] (number of shares/underlying shares)	56,221	81,280	90,667
Relevant Price Sensitive Corporate Announcement on the day of the recommendation or the prior day		No		

85. The analysis of the price impact shows the following-

- In the preceding 15 minutes before the recommendation, the average high/low price variation was relatively low at 0.24%, 0.26% and 2.26% for BALRAMCHIN (EQ), BALRAMCHIN Sep Futures and BALRAMCHIN 360CE respectively.

- However, during the recommendation time and the subsequent 2 minutes (t and t+2), there was a significant surge in price volatility, with an average high/low variation of 0.48%, 0.47% and 3.77% for BALRAMCHIN (EQ), BALRAMCHIN Sep Futures and BALRAMCHIN 360CE respectively.
- In the succeeding 15 minutes (t+15) after the recommendation, the average high/low variation stood at 0.29%, 0.27% and 2.23% for BALRAMCHIN (EQ), BALRAMCHIN Sep Futures and BALRAMCHIN 360CE respectively.

86. An analysis of the volume impact shows the following-

- The average trading volume in the 15 minutes leading up to the recommendation (t-15) was 35,640 shares, 50,987 shares and 58,987 shares for BALRAMCHIN (EQ), BALRAMCHIN Sep Futures and BALRAMCHIN 360CE respectively.
- During the recommendation time and the following 2 minutes (t and t+2), the trading volume experienced a substantial increase, reaching an average of 1,44,327 shares, 2,18,133 shares and 2,65,067 shares for BALRAMCHIN (EQ), BALRAMCHIN Sep Futures and BALRAMCHIN 360CE respectively.
- In the succeeding 15 minutes (t+15) after the recommendation, the average trading volume remained elevated at 56,221 shares, 81,280 shares and 90,667 shares for BALRAMCHIN (EQ), BALRAMCHIN Sep Futures and BALRAMCHIN 360CE respectively.

87. It is also noted that there were no relevant price-sensitive corporate announcements pertaining to the company or its securities on the day of the recommendation (August 25, 2022) or the day prior (August 24, 2022).

88. In view of the above, it can be seen that the recommendation of the *Guest Expert* had a significant impact on both price and trading volume of the scrip BALARAMPUR CHINI and its derivatives contracts viz. Futures and Options.

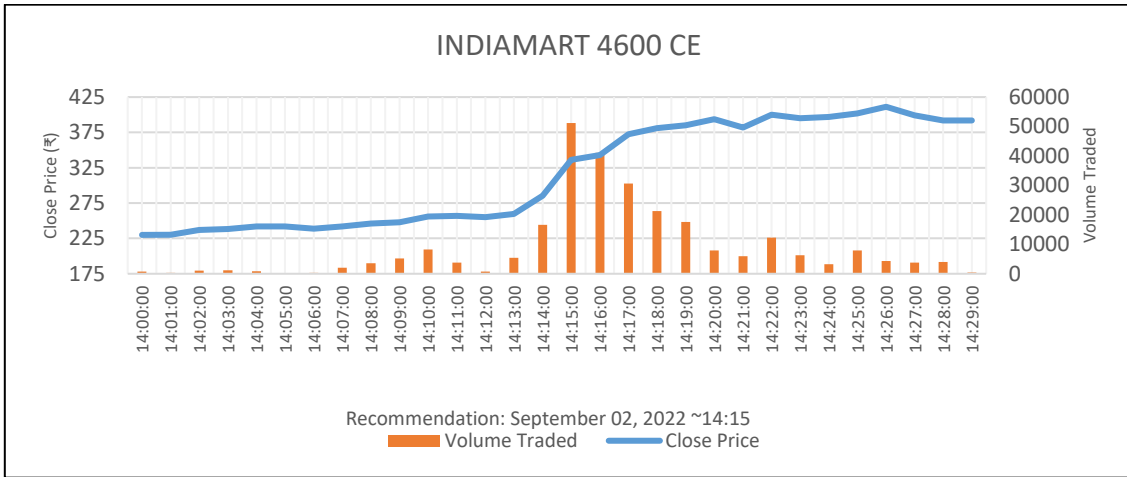
89. The above illustrations and table suggests that the above mentioned *Noticees* (*Noticee* Nos. 1 and 2) were aware that such recommendations, when telecasted, would lead to favourable movement in the price and traded volume of the contract/scrip. They executed their trades aiming to capitalize on the price-volume movement in the scrip/contract BALRAMPUR CHINI as a result of the recommendation made on the show. The *Noticee* No. 2 (Partha Sarathi Dhar) executed trades upon receipt of information from his wife (Simi Bhaumik) and *Noticee* No. 1 (Nirmal Kumar soni) executed trades in the account of the *Noticee* No. 4 (Manan Sharecom Private Limited) after receipt of advance information about the recommendation to be made by Simi Bhaumik (*Noticee* No. 2) on her show.

F.2. September 02, 2022: Trades of SAAR Commodities Private Limited and Manan Sharecom Private Limited based on recommendations of Kiran Jadhav

90. It has been seen at paras 65-67 how SAAR Commodities Private Limited and Manan Sharecom Private Limited acted on the advance receipt of recommendation from Kiran Jadhav under the tagline '**SPECIAL PICKS**' on Zee Business for the scrip '**IndiaMART Limited**' and made substantial profits, it will be useful to look at the impact of such recommendation on price and volume of the scrip.

91. Analysis of the impact on the price and volume in the contract on being recommended in the show is given below-

### Illustration No. 16



**Table No. 24**

<b>Recommendation date</b>		<b>September 02, 2022</b>
<b>Recommendation time (t)</b>		<b>~02:15 PM</b>
<b>Scrip/Contract Recommended</b>		<b>INDIAMART 4600 CE</b>
<b>Recommended Levels</b>	Recommended Price (INR)	290
	Target Price (INR)	580/600
	Stop Loss (INR)	240
<b>Price Impact Post Recommendation</b>	Average High/ Low Variation % in preceding 15 mins [t-15]	1.28
	Average High/ Low Variation % during recommendation time and succeeding 2 mins [t and t+2]	12.64
	Average High/ Low Variation % in succeeding 15 mins [t+15]	5.06
<b>Volume Impact Post Recommendation</b>	Avg Trading Vol in Preceding 15 mins [t-15] (number of underlying shares)	2411
	Avg Trading Vol during recommendation time and succeeding 2 mins [t and t+2] (number of underlying shares)	36,300
	Avg Trading Vol for succeeding 15 mins [t+15] (number of underlying shares)	14,540
Relevant Price Sensitive Corporate Announcement on the day of the recommendation or the prior day		No

*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

92. The analysis of the price impact shows the following-

- In the preceding 15 minutes before the recommendation, the average high/low price variation was relatively low at 1.28%.
- However, during the recommendation time and the subsequent 2 minutes (t and t+2), there was a significant surge in price volatility, with an average high/low variation of 12.64%.
- In the succeeding 15 minutes (t+15) after the recommendation, the price variation remained high, with an average high/low variation of 5.06%.

93. The analysis of the volume impact shows the following-

- The average trading volume in the 15 minutes leading up to the recommendation (t-15) was 2,411 shares.
- During the recommendation time and the following 2 minutes (t and t+2), the trading volume experienced a substantial increase, reaching an average of 36,300 shares.
- In the succeeding 15 minutes (t+15) after the recommendation, the average trading volume remained elevated at 14,540 shares.
- From the above, it can be seen that the recommendation had a significant impact on both the price and trading volume of the contract "INDIAMART 4600 CE".

94. It is also observed that there were no major corporate announcements on the day of the recommendation (September 02, 2022) or the day prior (September 01, 2022) that could explain the observed variations.

95. In view of the above, it is seen that the recommendation of the *Guest Expert* had a significant impact on both the price and trading volume of the contract "INDIAMART 4600 CE". The trading activities of Manan Sharecom and SAAR Commodities

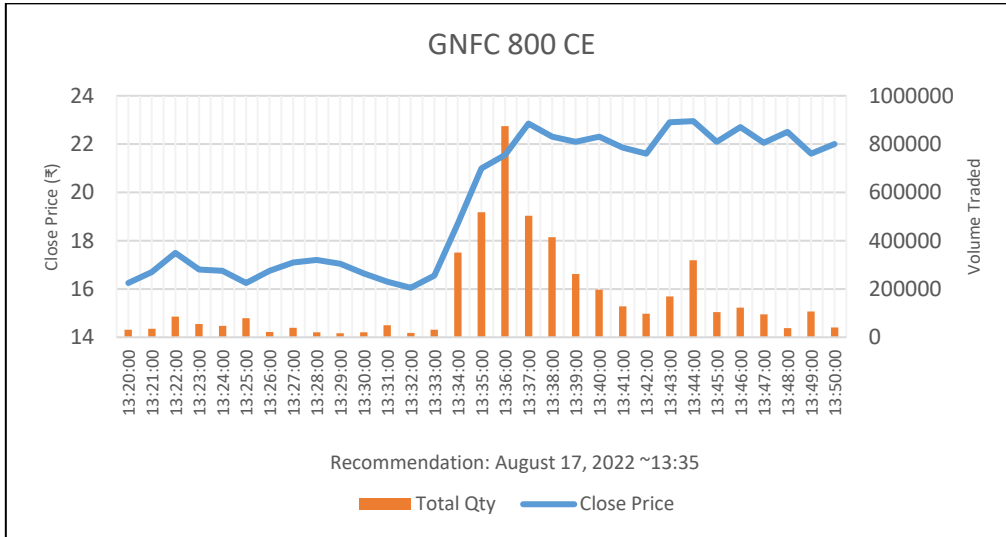
suggest that both *Noticees* executed their trades, aiming to capitalize on the price-volume movement in the "INDIAMART 4600 CE" contract as a result of the recommendation made on the show.

F.3. August 17, 2022: Trades of Kanhya Trading Company based on recommendations of Ashish Kelkar

96. We have earlier seen at para 68-70 how Kanhya Trading Company acted on the receipt of advance information about recommendation from Ashish Kelkar on the show of Zee Business for the scrip 'GNFC' and made substantial profits by taking position prior to the recommendation and squaring off the position after the airing of the recommendation on his shows on the Zee Business. It will be useful to examine the impact of such recommendation on price and volume of the said scrip/derivative contract.

97. Analysis of the impact on the price and volume in the contract on being recommended in the show is given below-

**Illustration No. 17**



*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*



**Table No.25**

<b>Recommendation date</b>		<b>August 17, 2022</b>
<b>Recommendation time (t)</b>		<b>~01:35 PM</b>
<b>Scrip/Contract Recommended</b>		<b>GNFC 800 CE</b>
<b>Recommended Levels</b>	Recommended Price (INR)	20
	Target Price (INR)	35
	Stop Loss (INR)	17
<b>Price Impact Post Recommendation</b>	Average High/ Low Variation % in preceding 15 mins [t-15]	4.14
	Average High/ Low Variation % during recommendation time and succeeding 2 mins [t and t+2]	9.45
	Average High/ Low Variation % in succeeding 15 mins [t+15]	4.28
<b>Volume Impact Post Recommendation</b>	Avg Trading Vol in Preceding 15 mins [t-15] (number of underlying shares)	60,147
	Avg Trading Vol during recommendation time and succeeding 2 mins [t and t+2] (number of underlying shares)	6,31,800
	Avg Trading Vol for succeeding 15 mins [t+15] (number of underlying shares)	2,31,313
Relevant Price Sensitive Corporate Announcement on the day of the recommendation or the prior day		No

98. The analysis of the price impact on GNFC around the broadcast of the show is as under-

- In the preceding 15 minutes before the recommendation, the average high/low price variation was relatively low at 4.14%.
- However, during the recommendation time and the subsequent 2 minutes (t and t+2), there was a significant surge in price volatility with an average high/low variation of 9.45%.
- In the succeeding 15 minutes (t+15) after the recommendation, the price variation settled, with an average high/low variation of 4.28%.

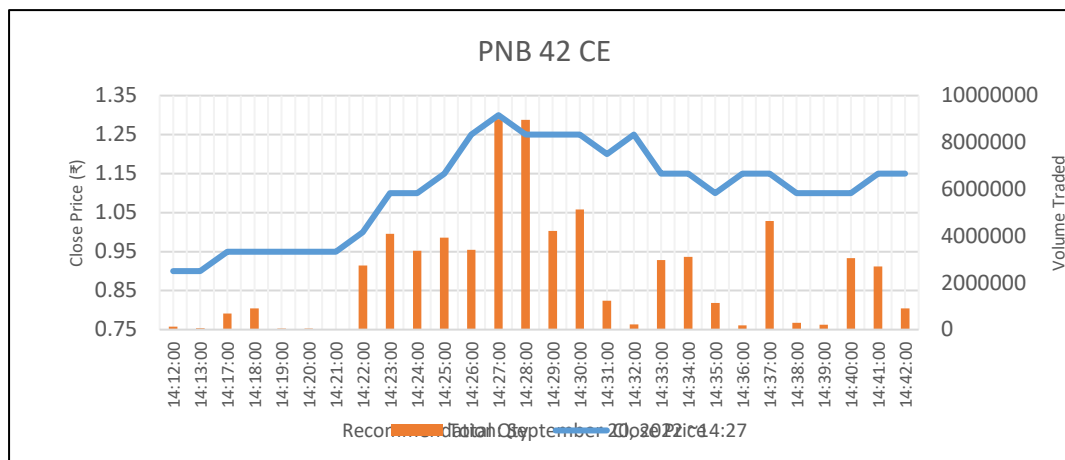
99. The analysis of the volume impact shows the following-
- The average trading volume in the 15 minutes leading up to the recommendation (t-15) was 60,147 shares.
  - During the recommendation time and the following 2 minutes (t and t+2), the trading volume experienced a substantial increase reaching an average of 6,31,800 shares.
  - In the succeeding 15 minutes (t+15) after the recommendation, the average trading volume remained elevated at 2,31,313 shares.
100. It is further observed that there were no relevant price-sensitive corporate announcements on the day of the recommendation (August 17, 2022) or the day prior (August 16, 2022) that could explain the observed variations.
101. From the above, it is evident that there was significant price and volume impact due to broadcast of the recommendation by the Guest Expert on Zee Business. In view of the above, it can be seen that the trades have been promptly executed in the account of the *Notictee No 5* i.e. Kanhya Trading Company aiming to capitalize on the price-volume movement in the " GNFC 800 CE" contract as a result of advance information of the recommendation made on the show.

F.4. September 20, 2022: Trades of SAAR Commodities Private Limited and Manan Sharecom Private Limited based on recommendations of 'Himanshu Gupta'

102. It has been seen at paras 71-74 as to how SAAR Commodities Private Limited and Manan Sharecom Private Limited acted on the advance receipt of information about recommendation from Himanshu Gupta under the tagline '**Hitman Himanshu**' on Zee Business for the contract 'PNB 42CE' and made substantial profits. It will be useful to examine the impact of such recommendation on price and volume on the contract 'PNB 42CE'.

103. Analysis of the impact on the price and volume in the contract on being recommended in the show is given below-

**Illustration No. 18**



**Table No. 26**

Recommendation date		September 20, 2022
Recommendation time (t)		~02:27 PM
Scrip/Contract Recommended		PNB 42 CE
Recommended Levels	Recommended Price (INR)	1.2
	Target Price (INR)	2.50/2.75
	Stop Loss (INR)	0.8
Price Impact Post Recommendation	Average High/ Low Variation % in preceding 15 mins [t-15]	3.61
	Average High/ Low Variation % during recommendation time and succeeding 2 mins [t and t+2]	9.72
	Average High/ Low Variation % in succeeding 15 mins [t+15]	5.84
Volume Impact Post Recommendation	Avg Trading Vol in Preceding 15 mins [t-15] (number of underlying shares)	16,21,333
	Avg Trading Vol during recommendation time and succeeding 2 mins [t and t+2] (number of underlying shares)	73,92,000
	Avg Trading Vol for succeeding 15 mins [t+15] (number of underlying shares)	25,98,400

*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

104. From the above, a sudden spurt in the price and trading volume of the contract can be witnessed right after the broadcast of the recommendation was made on Zee Business.

105. Analysis of price impact shows as under-

- In the preceding 15 minutes before the recommendation, the average high/low price variation was relatively low at 3.61%.
- However, during the recommendation time and the subsequent 2 minutes (t and t+2), there was a significant surge in price volatility with an average high/low variation of 9.72%.
- In the succeeding 15 minutes (t+15) after the recommendation, the price variation remained high, with an average high/low variation of 5.84%.

106. Analysis of volume impact shows as under:

- The average trading volume in the 15 minutes leading up to the recommendation (t-15) was 16,21,333 shares.
- During the recommendation time and the following 2 minutes (t and t+2), the trading volume experienced a substantial increase reaching an average of 73,92,000 shares.
- In the succeeding 15 minutes (t+15) after the recommendation, the average trading volume remained elevated at 25,98,400 shares.

107. It is further seen that there were no relevant price-sensitive corporate announcements on the day of the recommendation (September 20, 2022) or the day prior (September 19, 2022) that could explain the observed variations.

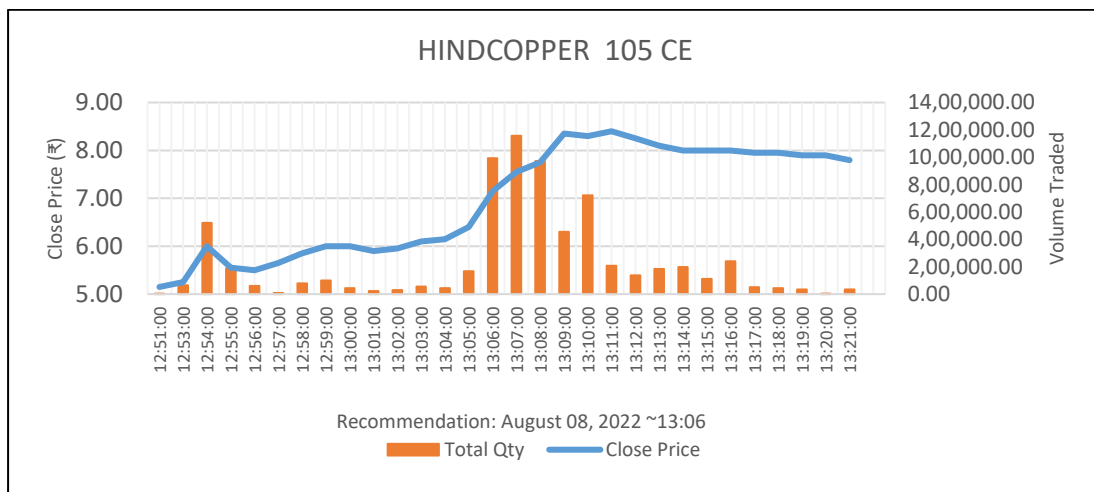
108. From the above, it is seen that there was significant price and volume impact due to broadcast of the recommendation by the *Guest Expert* on Zee Business. In view of the above, it can be seen that the trades that have been promptly executed in the account of *Noticees* i.e. SAAR Commodities Private Limited and Manan Sharecom Private Limited were aiming to capitalize on the price-volume movement in the "PNB 42 CE" contract as a result of advance information of the recommendation made on the show.

F.5. August 08, 2022: Trades of SAAR Commodities Private Limited based on recommendations of *Mudit Goyal*

109. It has been seen at paras 75-81 as to how SAAR Commodities Private Limited acted on the advance receipt of recommendation from Mudit Goyal under the tagline “**Munafe wale Mudit**” on Zee Business for the scrip ‘HINDCOPPER 105 CE’ and made substantial profits.. It will be useful to examine the impact of such recommendation on price and volume of the scrip.

110. Analysis of the impact on the price and volume in the contract on being recommended in the show is given below-

**Illustration No. 19**



*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

**Table No. 27**

<b>Recommendation date</b>		<b>August 08, 2022</b>
<b>Recommendation time (t)</b>		<b>Appearance at 01:05 PM Recommendation at 1:06PM</b>
<b>Scrip/Contract Recommended</b>		<b>HINDCOPPER 105 CE</b>
Recommended Levels	Recommended Price (INR)	6.5
	Target Price (INR)	14
	Stop Loss (INR)	4
Price Impact Post Recommendation	Average High/ Low Variation % in preceding 15 mins [t-15]	3.83
	Average High/ Low Variation % during recommendation time and succeeding 2 mins [t and t+2]	8.45
	Average High/ Low Variation % in succeeding 15 mins [t+15]	3.22
Volume Impact Post Recommendation	Avg Trading Vol in Preceding 15 mins [t-15]	98,900
	Avg Trading Vol during recommendation time and succeeding 2 mins [t and t+2]	10,40,600
	Avg Trading Vol for succeeding 15 mins [t+15]	3,03,580
Relevant Price Sensitive Corporate Announcement on the day of the recommendation or the prior day		No

111. From the above, a sudden spurt in the price and trading volume of the contract can be witnessed right after the recommendation was made on Zee Business.

112. Analysis of price impact shows as under-

- In the preceding 15 minutes before the recommendation, the average high/low price variation was relatively low at 3.83%.
- However, during the recommendation time and the subsequent 2 minutes (t and t+2), there was a significant surge in price volatility, with an average high/low variation of 8.45%.

- In the succeeding 15 minutes (t+15) after the recommendation, the average high/low variation stood at 3.22%.

113. Analysis of volume impact shows as under:

- The average trading volume in the 15 minutes leading up to the recommendation (t-15) was 98,900 shares.
- During the recommendation time and the following 2 minutes (t and t+2), the trading volume experienced a substantial increase, reaching an average of 10,40,600 shares.
- In the succeeding 15 minutes (t+15) after the recommendation, the average trading volume remained elevated at 3,03,580 shares.

114. It was further observed that there were no relevant price-sensitive corporate announcements on the day of the recommendation (August 08, 2022) or the day prior (August 07, 2022) that could explain the observed variations.

115. From the above, it can be seen that the recommendation had a significant impact on both the price and trading volume of the contract "HINDCOPPER 105 CE".. In view of the above, it can be seen that the trades have been promptly executed in the account of the *Notictee No 3* i.e. SAAR Commodities Private Limited aiming to capitalize on the price-volume movement in the " HINDCOPPER 105 CE " contract as a result of advance information of the recommendation made on the show.

### **G. Role of Enablers**

116. Based on facts stated in preceding paragraphs, it is evident that trades have been executed in the accounts of the *Profit Makers (Noticees Nos. 1 to 5)* and on numerous counts, execution of trades or dealing in securities were influenced by sharing of non-public information by *Guest Expert (Noticees Nos. 11 to 15)*. It has also been seen that evidence in the form of fund transactions, Whatsapp chats,

CDRs, travelling records etc. demonstrate a very strong connection being enjoyed by the above two sets of *Noticees*. The analysis of evidences further reveal that *Noticee* No. 1 (Nirmal Kumar Soni) was a Director in the *Noticee* No. 4 (Manan Sharecom Private Limited), and also enjoyed a very close connection with the *Noticees* Nos. 3 (SAAR Commodities) and 5 (Kanhya Trading Company) through their Directors and authorised persons. It has been discussed earlier that *Noticee* No. 3 (SAAR Commodities) had executed trades through the terminal of *Noticee* No. 9 (SAAR Securities) and the above two entities were having common Directors viz., *Noticees* Nos. 7 and 8 (Rupesh Kumar Matoliya and Ajaykumar Ramakant Sharma). The records have shown that *Noticees* Nos. 7 and 8 being Directors of *Noticee* No. 3 were aware that trades in the account of the *Noticee* No. 3 was being executed by the *Noticee* no 1, who was in possession of non-public information of recommendations of *Guest Experts* before being broadcasted. The connection between Nirmal Kumar Soni and Kanhya Trading Company/Nitin Chhalani has been discussed at para 16. Connection amongst Nirmal Kumar Soni, SAAR Commodities and SAAR securities have been discussed at para 17. Detailed discussion at para 16 and para 17 establishes how *Enablers* (*Noticees* Nos 6 to 10) helped *Noticees* Nos 1,3,4 and 5 in their trades based on advance information of recommendations of Guest Experts.

117. In particular, it is seen that the proximity of communication between the *Noticee* No. 1 and Director of *Noticee* No. 9, SAAR Securities, were to the extent that the details of the multiple NEAT Terminals of SAAR Securities were voluntarily shared with Nirmal Kumar Soni and the remote desktop software was also installed in the computer of Nirmal Kumar Soni, by an employee of SAAR Securities. This fact itself is an evidence that trades were executed in the account of the *Noticee* No. 3 with the knowledge, consent and permission of *Noticee* No.9 (SAAR Securities) and *Noticees* Nos 7, 8 and 10 (Directors of SAAR Securities). Similarly, it has been seen that *Noticee* No. 1 was in constant touch with *Noticee* No 6, Nitin Chhalani, the authorised signatory of the *Noticee* No. 5. The evidence collected in the course of



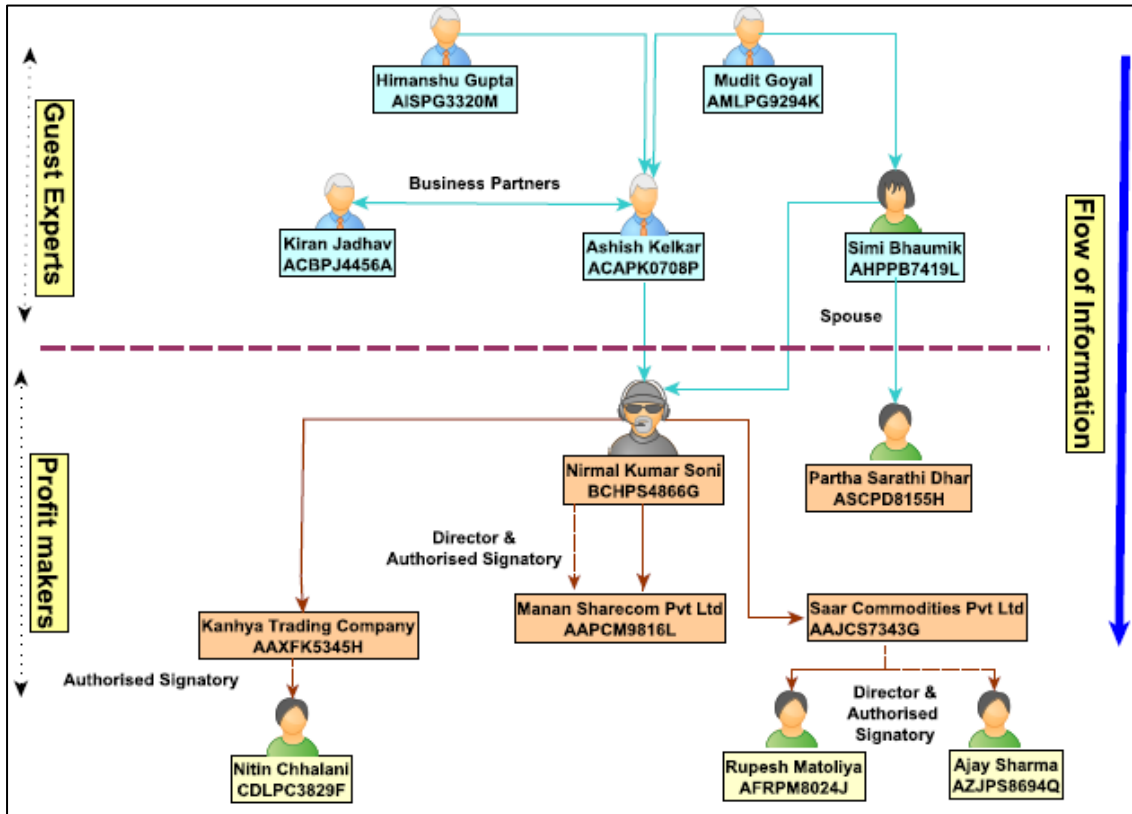
investigation shows Nitin Chhalani requesting Nirmal Kumar Soni to get the password reset for the client code that was associated with the *Noticee* No. 5. When the above facts along with statement of the *Noticee* No. 1 are analysed holistically, it demonstrates the enabling role played by Enablers in helping *Noticees* Nos 1, 3,4 and 5 to execute their trades based on advance information about recommendation made by *Guest Experts*.

#### **H. Summary of profit on intraday trades based on advance information of recommendations**

118. It is seen from the analysis of the above few instances that the trades have been executed in the accounts of *Profit Makers* (*Noticees* Nos. 1 to 5) based on advance knowledge of the recommendations shared by *Guest Experts* (*Noticees* Nos 11 to 15) before the broadcast of recommendations on Zee Business. The trades in the accounts of Profit Makers have been made in such a manner that for *intraday* trades, the first leg of the trades (taking a position in the scrip/contract) was observed to be undertaken just prior to telecast of the recommendation and the second leg of the trades (squaring off the position) was observed to be undertaken around the time or just after of broadcast of the recommendation. Such trades are, hereinafter, referred to as recommendations based trades. In a majority of instances, it is seen that such recommendations based trades have generated substantial positive proceeds in quick span of time. It is also seen that these recommendations had substantial impact on price and volume of scrip/contract recommended which was also instrumental in making profit based on advanced information about the recommendation by the *Guest Experts*. These recommendations based trades have been seen to be executed with the help of *Enablers* (*Noticees* Nos 6 to 10)

119. The role played by each of *Noticees* in successfully executing recommendation based trades and generating profit is explained through an illustration below-

**Illustration No. 20**



120. The summary of the *intraday* trades executed by Profit Makers i.e. *Noticees Nos. 1* to 5 in both equity and equity derivative segment and the profits earned through trades during the investigation period, is placed below. It is clarified that this is summary of all intraday trades and not necessarily on recommendations based trades covered in this order.

**Table No.28**

<b>Name</b>		<b>Partha Sarathi Dhar</b>	<b>Kanhya Trading Company</b>	<b>SAAR Commodities Private Limited</b>	<b>Manan Sharecom Private Limited</b>	<b>Nirmal Soni</b>
<b>PAN</b>		<b>ASCPD815 5H</b>	<b>AAXFK534 5H</b>	<b>AAJCS734 3G</b>	<b>AAPCM98 16L</b>	<b>BCHPS4 866G</b>
<b>Equity</b>	No of instances	506	16	-	-	-
	Gross Traded Value (INR)	1,84,43,07,592	38,33,097	-	-	-
	Average Gross Traded Value (INR)	36,44,877	2,39,569	-	-	-
	Square off earned (INR)	29,55,636	-	-	-	-
<b>Equity Derivative (Excluding Index Contracts)</b>	No of instances	1,932	518	3,334	3,752	63
	Gross Traded Value (INR)	13,21,15,02,454	1,44,54,92,255	21,38,84,96,844	3,37,37,66,530	7,84,93,608
	Average Gross Traded Value(INR)	68,38,252	27,90,526	64,15,266	8,99,192	12,45,930
	Square off earned(INR)	30,94,337	2,17,50,479	7,73,78,072	2,33,46,378	14,17,822
<b>Equity Derivative (Index Contracts)</b>	No of instances	107	13	1,226	948	-
	Gross Traded Value (INR)	5,32,63,248	54,02,093	1,91,99,85,210	35,68,05,160	-
	Average Gross Traded Value(INR)	4,97,787	4,15,546	15,66,056	3,76,377	-
	Square off earned(INR)	-1,06,338	-66,180	49,43,375	13,08,212	-
<b>Combined Total</b>	No of instances	2,545	547	4,560	4,700	63
	Gross Traded Value (INR)	15,10,90,73,293	1,45,47,27,444	23,30,84,82,054	3,73,05,71,690	7,84,93,608

*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

Name	Partha Sarathi Dhar	Kanhya Trading Company	SAAR Commodities Private Limited	Manan Sharecom Private Limited	Nirmal Soni
PAN	ASCPD8155H	AAXFK5345H	AAJCS7343G	AAPCM9816L	BCHPS4866G
Average Gross Traded Value (INR)	59,36,768	26,59,465	51,11,509	7,93,739	12,45,930
Square off earned(INR)	59,43,635	2,16,84,299	8,23,21,447	2,46,54,590	14,17,822

121. The details provided in the table above are summary of trades executed by *Profit Makers* during the investigation period through intraday trades which includes trades executed in their account based on advance information shared by *Guest Experts*. It has been noticed that these trades have generated profit in the accounts of *Profit Makers*. It has also been noticed that on several instances the entire position taken in the first leg was not squared off during the second leg of the trades and therefore there may be a case for not including such trades as trade based on recommendations. Under the circumstances, for the purposes of calculating the profit earned by the *Noticees (Profit Makers)* on recommendations based trades, certain parameters have been considered to select only specific intraday trades and the selection criteria is mentioned below-

- i. Recommendation in the scrip/contract is provided by the *Guest Expert* on Zee Business on the same day the trade was executed.
- ii. The timing of the first leg of the trade is before the recommendation time.
- iii. First leg of the trade was executed in the direction of the recommendation i.e. if the recommendation was 'buy', then 'buy' trade was executed and if recommendation was 'sell' then 'sell' trade was executed.

- iv. The traded quantity of the second leg, post-recommendation, exceeded 50% of the total quantity traded in the first leg.

122. The profit from recommendation based trades has been calculated using the following formula:

$$\text{Profit} = (\text{Minimum of Sell and Buy Quantity}) * (\text{Average Selling Price} - \text{Average Buying Price})$$

123. Based on the above mentioned criteria, recommendation based trades executed by Noticee Nos. 1 to 5 were selected for calculating the profit, generated in their account, analysis and comparison of recommendation based trades with total trades is as under:

**Table No. 29**

Particulars			Overall Trades			Trades based on recommendation			Analysis		
Notice No.	Client Name	Segment	Profit	Trade Instances	Avg. Profit per trade	Profit	Trade Instances	Average Profit per trade	Profit based on recommendation (%)	Recommendation based Trade Instances (%)	Average Profit based on Recommendation (%)
(A)	(B)	(C')	(D)	(E')	(F) = (D/E)	(G)	(H)	(I)=(G/H)	(J) = (G/D)	(K) = (H/E)	(L) = (I/F)
3	SAAR Commodities Private Limited	EQ - DERV	8,23,21,447	4,560	18,053	4,37,57,697	506	86,478	53%	11%	479%

Particulars			Overall Trades			Trades based on recommendation			Analysis		
Notice No.	Client Name	Segment	Profit	Trade Instances	Avg. Profit per trade	Profit	Trade Instances	Average Profit per trade	Profit based on recommendation (%)	Recommended Trade Instances (%)	Average Profit based on Recommendation (%)
(A)	(B)	(C')	(D)	(E')	(F) = (D/E)	(G)	(H)	(I)=(G/H)	(J) = (G/D)	(K) = (H/E)	(L) = (I/F)
4	Manan Sharecom Private Limited	EQ - DERIV	2,46,54,590	4,700	5,246	1,35,01,336	135	1,00,010	55%	3%	1907%
5	Kanhya Trading Company	EQ - DERIV	2,16,84,299	531	40,837	1,10,41,979	98	1,12,673	51%	18%	276%
2	Partha Sarathi Dhar	EQ - DERIV	29,87,999	2,039	1,465	27,15,041	146	18,596	91%	7%	1269%
		EQ - CASH	29,55,636	506	5,841	26,69,620	156	17,113	90%	31%	293%
1	Nirmal Soni	EQ - DERIV	14,17,822	63	22,505	4,43,975	6	73,996	31%	10%	329%
<b>Total</b>			<b>13,60,21,794</b>	<b>12,399</b>	<b>10,970</b>	<b>7,41,29,648</b>	<b>1,047</b>	<b>70,802</b>	<b>54%</b>	<b>8%</b>	<b>645%</b>

In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel

124. Further, profit analysis of Profit Makers from recommendation based trades (Guest Expert wise) during the investigation period is provided below-

**Table No. 30**

PAN	Name	Guest Expert	Segment	Profit (INR)	Trade Instances
<b>AAJCS7 343G</b>	<b>SAAR Commodities Private Limited</b>	KIRAN JADHAV	EQ-DERV	1,41,75,013	113
		ASHISH KELKAR	EQ-DERV	1,02,00,019	106
		HIMANSHU GUPTA	EQ-DERV	96,71,340	136
		MUDIT GOYAL	EQ-DERV	58,74,892	95
		SIMI BHAUMIK	EQ-DERV	38,36,432	56
<b>SAAR Commodities Private Limited Total</b>				<b>4,37,57,697</b>	<b>506</b>
<b>AAPCM9 816L</b>	<b>Manan Sharecom Private Limited</b>	KIRAN JADHAV	EQ-DERV	47,25,506	33
		ASHISH KELKAR	EQ-DERV	46,88,930	31
		MUDIT GOYAL	EQ-DERV	19,34,856	25
		HIMANSHU GUPTA	EQ-DERV	13,38,889	33
		SIMI BHAUMIK	EQ-DERV	8,13,155	13
<b>Manan Sharecom Private Limited Total</b>				<b>1,35,01,336</b>	<b>135</b>
<b>AAXFK5 345H</b>	<b>Kanhya Trading Company</b>	KIRAN JADHAV	EQ-DERV	44,70,408	28
		MUDIT GOYAL	EQ-DERV	31,03,319	19
		ASHISH KELKAR	EQ-DERV	14,93,140	21
		HIMANSHU GUPTA	EQ-DERV	14,62,258	24
		SIMI BHAUMIK	EQ-DERV	5,12,855	6
<b>Kanhya Trading Company Total</b>				<b>1,10,41,979</b>	<b>98</b>
<b>ASCPD8 155H</b>	<b>Partha Sarathi Dhar</b>	SIMI BHAUMIK	EQ-DERV	17,59,015	72
			EQ-CASH	26,12,126	139
		MUDIT GOYAL	EQ-DERV	5,86,296	52
			EQ-CASH	55,493	16
		KIRAN JADHAV	EQ-DERV	3,01,967	7
		HIMANSHU GUPTA	EQ-DERV	59,963	13
EQ-CASH	2,000		1		

*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

PAN	Name	Guest Expert	Segment	Profit (INR)	Trade Instances
		ASHISH KELKAR	EQ-DERV	7,800	2
<b>Partha Sarathi Dhar Total</b>				<b>53,84,661</b>	<b>302</b>
<b>BCHPS4 866G</b>	<b>Nirmal Soni</b>	HIMANSHU GUPTA	EQ-DERV	2,04,750	2
		ASHISH KELKAR	EQ-DERV	1,96,825	3
		MUDIT GOYAL	EQ-DERV	42,400	1
<b>Nirmal Soni Total</b>				<b>4,43,975</b>	<b>6</b>
<b>Grand Total</b>				<b>7,41,29,648</b>	<b>1,047</b>

125. From the above tables, it is observed that Nirmal Kumar Soni earned a total profit of INR 14,17,822 through 63 trade instances during the investigation period, out of which profit of INR 4,43,975 was generated through 6 instances of recommendation based trades. Though recommendation based trading form about 10% of overall trading instances, the profit from such recommendation based trading constitutes 31% of his entire profit. Further, the average profit earned from recommendation based trades is calculated to be around 329% of the average profit earned from total trades.

126. With respect to SAAR Commodities, it is observed that during the investigation period, it had earned a total profit of INR 8,23,21,447 through 4560 trade instances out of which profit of INR 4,37,57,697 was generated through 506 instances of recommendation based trades. Though recommendation based trading form about 11% of overall trading instances, the profit from such recommendation based trading constitutes 53% of his entire profit. Further, it is observed that the average profit earned from recommendation based trades is around 479% of the average profit earned from total trades.

127. Similarly, with respect to Manan Sharecom Private Limited, it is observed that during the investigation period, a profit of INR 2,46,54,590 was earned through



4,700 trade instances during the investigation period, out of which INR 1,35,01,336, was earned from 135 instances of recommendation based trades. Thus, more than half the profit is earned through recommendation based trading which were only 135 out of total 4700 trades. Further, it is seen that the average profit earned from recommendation based trades is around 1907% of the average profit earned from total trades.

128. In the case of Kanhya Trading Company, it is observed that it had earned a profit of INR 2,16,84,299 through 531 trade instances during the investigation period, out of which INR 1,10,41,979 was generated from 98 trade instances of recommendation based trades. Thus, more than half the profit is earned through recommendation based trading which were only 98 out of total 531 trades. Further, the average profit earned from recommendation based trades is around 276% of the average profit earned from total trades.

129. With respect to the Partha Sarathi Dhar, it is observed that he had earned a profit of INR 59,43,635 through 2,545 trade instances during the investigation period, out of which INR 53,84,661 was generated from 302 instances of recommendation based trades. Thus, 91% of his entire profit is from trade based on advance information about recommendation by guest experts. Further, the average profit earned from recommendation based trades is around 763% of the average profit earned from total trades.

130. **Guest Expert Wise Profit Analysis for the period from February 01, 2022 to December 31, 2022 from recommendation based trades is provided below-**

**Table No. 31**

<b>Guest Expert</b>	<b>PAN</b>	<b>Name</b>	<b>Segment</b>	<b>Profit from recommendation based trades (INR)</b>	<b>Reco based trade Instances</b>
<b>KIRAN JADHAV</b>	AAJCS7343G	SAAR Commodities Private Limited	EQ-DERV	1,41,75,013	113
	AAPCM9816L	Manan Sharecom Private Limited	EQ-DERV	47,25,506	33
	AAXFK5345H	Kanhya Trading Company	EQ-DERV	44,70,408	28
	ASCPD8155H	Partha Sarathi Dhar	EQ-DERV	3,01,967	7
<b>KIRAN JADHAV Total</b>				<b>2,36,72,894</b>	<b>181</b>
<b>Ashish Kelkar</b>	AAJCS7343G	SAAR Commodities Private Limited	EQ-DERV	1,02,00,020	106
	AAPCM9816L	Manan Sharecom Private Limited	EQ-DERV	46,88,930	31
	AAXFK5345H	Kanhya Trading Company	EQ-DERV	14,93,140	21
	ASCPD8155H	Partha Sarathi Dhar	EQ-DERV	7,800	2
	BCHPS4866G	Nirmal Soni	EQ-DERV	1,96,825	3
<b>Ashish Kelkar Total</b>				<b>1,65,86,714</b>	<b>163</b>
<b>HIMANSU GUPTA</b>	AAJCS7343G	SAAR Commodities Private Limited	EQ-DERV	96,71,340	136
	AAPCM9816L	Manan Sharecom Private Limited	EQ-DERV	13,38,889	33
	AAXFK5345H	Kanhya Trading Company	EQ-DERV	14,62,258	24
	ASCPD8155H	Partha Sarathi Dhar	EQ-DERV	59,963	13
			EQ-CASH	2,000	1

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Guest Expert	PAN	Name	Segment	Profit from recommendation based trades (INR)	Reco based trade Instances
	BCHPS4866G	Nirmal Soni	EQ-DERV	2,04,750	2
<b>HIMANSHU GUPTA Total</b>				<b>1,27,39,200</b>	<b>209</b>
<b>MUDIT GOYAL</b>	AAJCS7343G	SAAR Commodities Private Limited	EQ-DERV	58,74,892	95
	AAPCM9816L	Manan Sharecom Private Limited	EQ-DERV	19,34,856	25
	AAXFK5345H	Kanhya Trading Company	EQ-DERV	31,03,319	19
	ASCPD8155H	Partha Sarathi Dhar	EQ-DERV	5,86,296	52
			EQ-CASH	55493.3	16
BCHPS4866G	Nirmal Soni	EQ-DERV	42,400	1	
<b>MUDIT GOYAL Total</b>				<b>1,15,97,257</b>	<b>208</b>
<b>SIMI BHAUMIK</b>	AAJCS7343G	SAAR Commodities Private Limited	EQ-DERV	38,36,432	56
	AAPCM9816L	Manan Sharecom Private Limited	EQ-DERV	8,13,155	13
	AAXFK5345H	Kanhya Trading Company	EQ-DERV	5,12,855	6
	ASCPD8155H	Partha Sarathi Dhar	EQ-DERV	17,59,015	72
EQ-CASH			26,12,126	139	
<b>SIMI BHAUMIK Total</b>				<b>95,33,583</b>	<b>286</b>
<b>Grand Total</b>				<b>7,41,29,648</b>	<b>1,047</b>

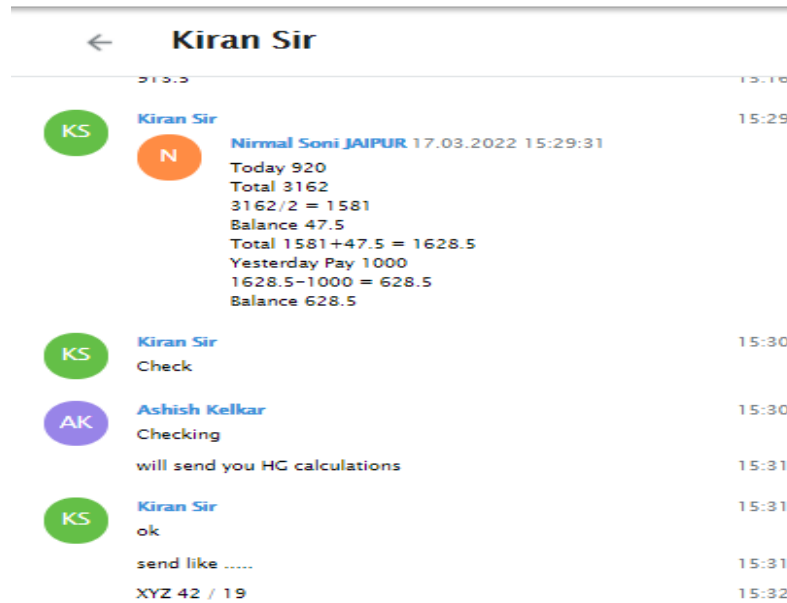
131. In view of the above observations, it can be seen that profit generated in the accounts of the *Profit Makers* are quite substantial, when compared with the profits on trades otherwise executed in the accounts of these *Profit Makers*. It is also seen

that from the trades that are observed to have been executed based on the advantage of advance receipt of information about recommendations of *Guest Experts*, the *Noticees* have collectively earned substantial profit to the tune of INR 7,41,29,648 from 1047 instances, constituting 54% of the total profit earned during the relevant period. From the above, it can be seen that a considerable portion of their respective profit was earned through trades based on recommendations vis-a-vis their total trades. Further, Table No. 31 also provides the detailed breakup of the profit earned by the *Notictee No. 1 to 5* (Guest Expert wise) and number of instances of trades executed based on the sharing of recommendation by Guest Experts.

### **I. Sharing of profits amongst Noticees**

132. It is also seen from evidence collected that some of the *Noticees* had shared chats which indicated commission/profit sharing arrangements between *Guest Experts* and Nirmal Kumar Soni. The same can be corroborated from the various Whatsapp chats/Telegram chats amongst certain *Noticees* as well as the statements of certain *Noticees* recorded on January 19, 2023. These have been discussed at paras 47-52. Further, certain Telegram chats between Ashish Kelkar (988XXXXX77) and Kiran Jadhav (982XXXXX880) have been found, wherein it is seen that they were sharing with each other calculations forwarded by Nirmal Kumar Soni to them. Further, it is noticed that there is mention of HG (Himanshu Gupta) in such messages. One such conversation between Kiran and Ashish is provided below:


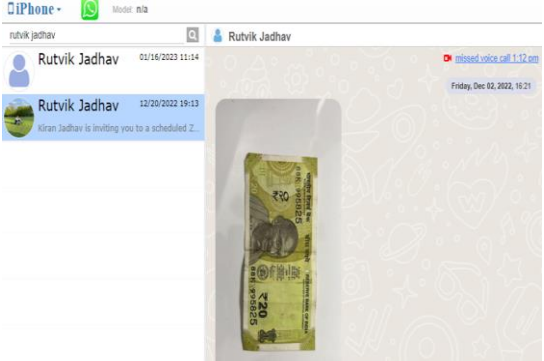
## Screenshot no. 16

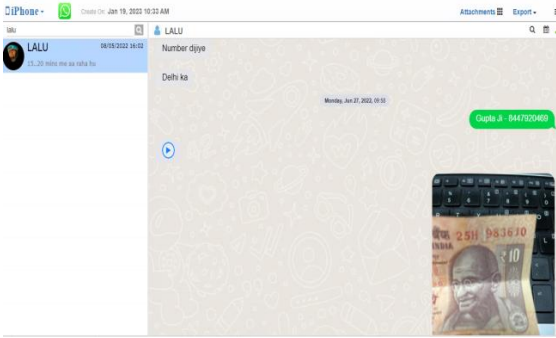


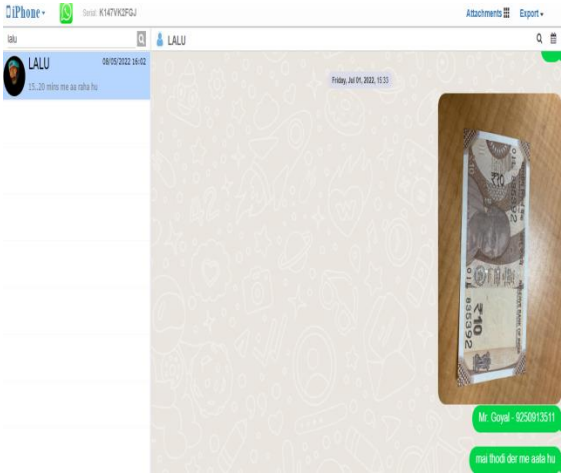
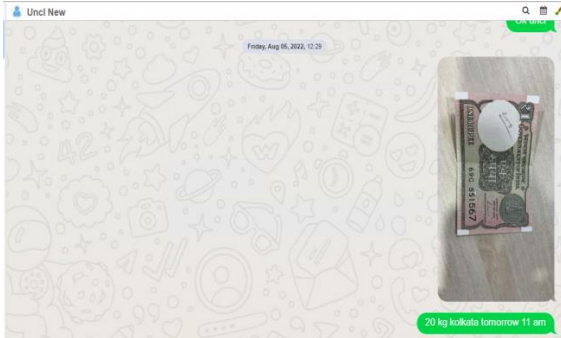
133. Further, an analysis of the bank statements of the *Noticees* (including those whose trading accounts were used to execute the unfair trades) was carried out to determine if there was any fund transfer/sharing of profits between them. As seen in the preceding paragraphs [para no. 16 (e)], during the investigation period there were instances when funds were transferred between the bank accounts of Kanhya Trading Company and Nirmal Kumar Soni.

134. It is further seen that some of the *Noticees* shared pictures of currency notes amongst each other and some unknown entities, which appear to have been used for sharing profit earned out of recommendation based trades. Few of the instances are illustrated below:

**Table No. 32**

Sr .No	WhatsApp Chat between	Remarks
1	<p>Nirmal (773XXXX742) WhatsApp Chat and Uncle New (+4475XXXX7587)</p> 	<p>Chat dated December 02, 2022</p> <p>Nirmal Kumar Soni shared image of a INR 20 note ending with “5825” with “Uncl New” mentioning Pune and a contact number saved as “Ashish Sir Alternate”.</p>
2	<p>Ashish (988XXXX277) WhatsApp chat and Rutvik Jadhav(772XXXX688)</p> 	<p>In WhatsApp chat between Ashish Kelkar and Rutvik Jadhav, it is observed that image of the same INR 20 note ending with “5825” is exchanged between Ashish and Rutvik. It has been stated earlier that Rutvik is son of Kiran Jadhav (Noticee No. 11). It is probable that the picture of the note of INR 20 was used to settle his part of the profit in cash/ through mode other than banking channel.</p>

Sr .No	WhatsApp Chat between	Remarks
3	<p>Ashish (988XXXX277) WhatsApp chat and Lalu (8850614864)</p> 	<p>From the WhatsApp chat between Ashish and “Lalu”, it is observed that image of one INR 10 note is exchanged between Ashish and Lalu with a mention of name along with mobile number as “Gupta ji - 844XXXX0469”</p> <p>As observed earlier, the mobile number (84XXXX0469) belongs to Himanshu Gupta. From the above, it is probable that the INR 10 was used to sharing commission generated out of trades executed based on the recommendation of Guest Experts.</p>

Sr .No	WhatsApp Chat between	Remarks
4	<p>Ashish WhatsApp chat and Lalu (885XXXX864)</p> 	<p>As observed from the WhatsApp chat between Ashish and “Lalu”, image of one INR 10 note is exchanged between Ashish and Lalu with a mention of a name along with mobile number as “Mr Goyal -925XXXX511”</p> <p>It is to be noted from preceding paragraphs that same mobile number (i.e. 925XXXX511) belongs to Mudit Goyal and it is probable that the image or the Note was used to receive his (Mudit Goyal’s) share of the profit/commission.</p>
5	<p>Nirmal(773XXXX742) WhatsApp Chat and Uncl New (+4475XXXXX587)</p> 	<p>In the WhatsApp chat dated Aug 05,2022, Nirmal shared image of a note of INR 1 with “Uncl New” <i>inter alia</i> mentioning <i>Kolkata tomorrow 11am</i>.</p> <p>On analysis of CDR of Nirmal Kumar Soni and Simi Bhaumik, it was observed that they both met in Kolkata on Aug 06, 2022 after 11 am.</p>



135. From the above screenshots, it is seen that there are certain messages shared between Nirmal Kumar Soni and Guest Experts which had picture of currency notes in them (highlighting the serial number of the note). Further, in the statements recorded on January 19, 2023 of *Noticee Nos. 1, 11, 12, 14 and 15 (produced in the subsequent paragraph)*, it has been admitted by Guest Experts that they had a profit-sharing arrangement with Nirmal Kumar Soni for sharing their recommendations with Nirmal Kumar Soni prior to giving the recommendations on Zee Business. Some of the Statements also shows that the amount already paid to the Guest Experts in cash and the balance amount to be paid to them by Nirmal Kumar Soni.

136. In the statement of examination on oath of **Ashish Kelkar** which was recorded on January 19, 2023, the following was *inter alia* stated under oath:

*“Q40. Elaborate your association and arrangement with Nirmal Soni.*

*A40. I used to pass on our own stock recommendations to Nirmal Soni..... I used to receive profits in cash from Nirmal Soni in Pune through his middlemen. Some of the places the cash were received by me are ..... Kiran Jadhav is also aware of the said modus operandi. Recently, we had started sharing our target level of the stocks even through Gmail. Till now we have received 90 Lakh in cash from Nirmal Soni and the same is distributed in the ratio of shareholding in KJA which is 85:15. Kiran Jadhav used to receive 85% of the said cash and I used to receive 15%. Part of profit was also shared with Mudit Goyal for sharing his recommendations.”*

137. In the statement of examination on oath of **Kiran Jadhav**, which was recorded on January 19, 2023, the following was *inter alia* stated under oath:

*“Please offer your comments on the aforementioned statement:*

*I Kiran Jadhav, do hereby agree that we had given intra day stock recommendations in advance before coming on live television in Zee Business to Mr. Nirmal Soni and*

he parted some of the profits to us via cash. The cash collection were done managed by Mr. Ashish Kelkar with my full knowledge. As stated by Mr. Ashish, I confirm the share of gain received by us is 85% to me and 15% belongs to Mr. Ashish.

We also used to receive such recommendations from Mr. Mudit Goyal before going live and we used to share these recommendations with Mr. Nirmal Soni. 25% of the gain is shared to Mr. Mudit and remaining amount we share between at 85% and 15% ratio as above. The said transactions took place in the last seven months involving around Rs. 60-70 lakhs approximately among all three of us, i.e. Mr. Mudit, Mr. Ashish and me.”

138. In the statement of examination on oath of **Mudit Goyal**, which was recorded on January 19, 2023, the following was *inter alia* stated under oath:

“With .....Kiran Jadhav/ Ashish Kelkar I had a profit sharing arrangement. As they told, I believe their profit figure which they would later share with me....25% from Kiran Jadhav/ Ashish Kelkar. All profit part I received in cash....”

139. In the statement of examination on oath of **Simi Bhaumik**, which was recorded on January 19, 2023, the following was *inter alia* stated under oath:

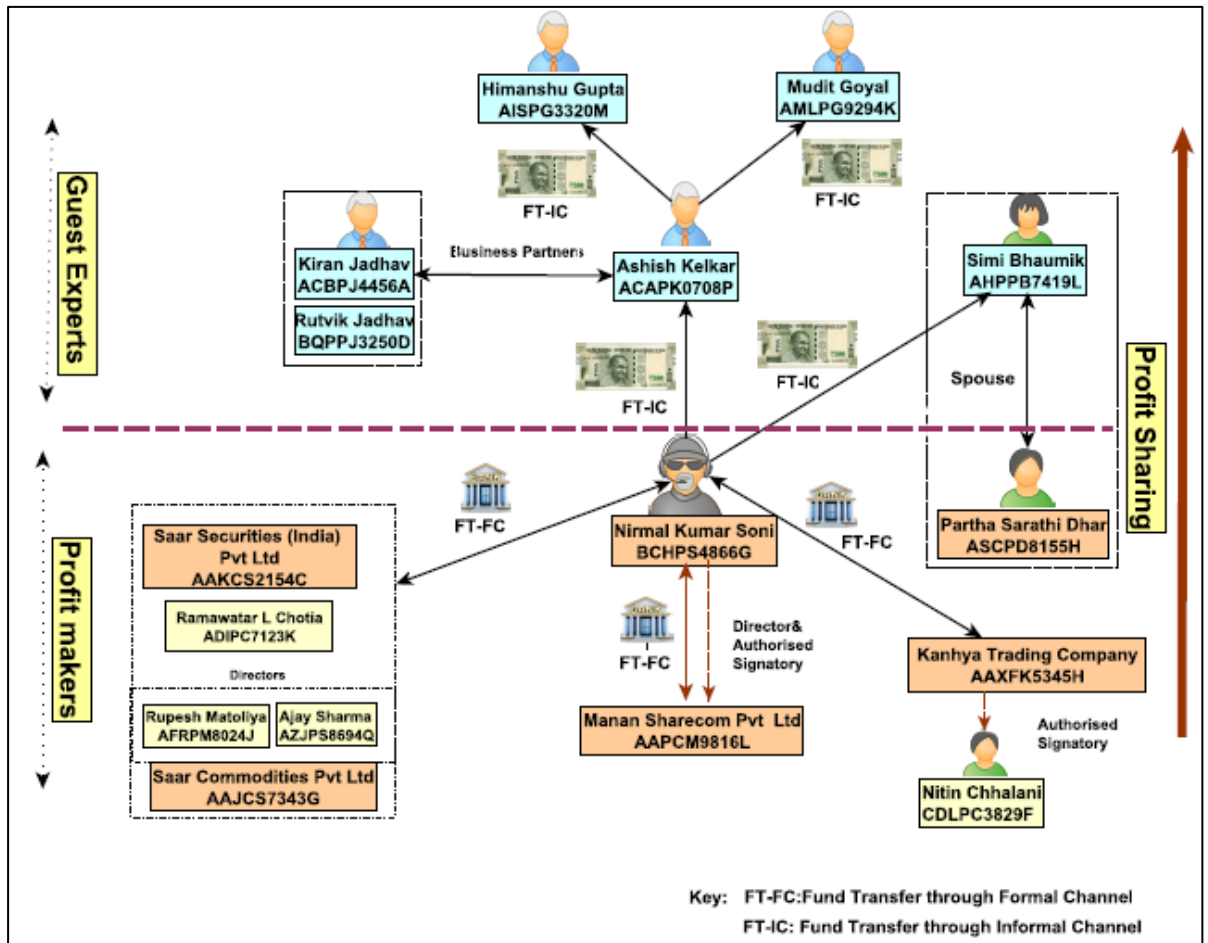
“Further, I am also having profit-sharing arrangement (50:50) with Nirmal Kumar Soni (Jaipur, mobile no- 773XXXX742) starting from June 2021, whereby I share my recommendations with Nirmal prior to me giving stock recommendations on Zee Business and Nirmal Soni trades on my recommendations. I have already received around Rs. 75 lakhs in cash from Nirmal Soni till June 2022 while approximately Rs. 1 crore is still left to be received.....

140. In the statement of examination on oath of **Nirmal Kumar Soni**, which was recorded on January 19, 2023, the following was stated under oath with reference to Simi Bhaumik:

“ट्रेडिंग प्रोफ़िट से अभी मैंने उनको लहभग 75 Lakh दे दिया है और अभी 62-63 Lakh मैंरे पास अभी उनका है।”

141. From the above, it is seen that there was an arrangement between Nirmal Kumar Soni and *Guest Experts* to share the wrongful gain earned through recommendation based trades. The evidence in the form of statement further shows the arrangement entered into amongst *Profit Makers* and *Guest Experts* that profit earned through recommendation based trades would be shared among them in terms of the oral agreement. At the same time, as observed in the course of investigation Nirmal Kumar Soni, having received the information from Guest Experts, had executed trades not only in his own account but also in the accounts of *Noticee* Nos. 3, 4 and 5. Pursuant to the generation of profit, the same got shared among them as per their understanding. However, in the case of *Noticee* No. 2, it is observed that after receipt of information from Guest Experts, trades were executed in his own account. The above is illustrated in the following diagram:

Illustration No. 21



**J. DETERMINATION OF FACTS**

142. Based on factual details elaborated above, evidences collected during the investigation and on the basis of preponderance of probability, following factual determination are made, *prima facie*, in this case:- ,

- a) During the investigation period, Zee Business telecasted shows whose format revolved around dissemination of scrip/contract trading

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recommendations. These recommendations were made by a panel of experts who used to appear as guests on the shows. The said panel included *Noticees* being *Guest Experts* namely Kiran Jadhav, Ashish Kelkar, Himanshu Gupta, Mudit Goyal, and Simi Bhaumik, who used to appear regularly on the shows. The aforementioned *Guest Experts* also had a significant following on social media platform "X". These *Guest Experts* were found to be connected to each other.

- b) The popularity of these shows had equipped *Noticees* with a deep awareness of the substantial impact these recommendations wielded over prices and trading volumes of scrip/contract recommended. Around the time of the broadcast of recommendations of the *Guest Experts*, there was favourable movement in scrip/contract price and trading volumes, aligned to the recommendation made by *Guest Experts*. The average traded volume around the recommendation was substantially higher as compared to the average traded volume during the preceding 15-minutes period prior to the broadcasting of recommendations.
- c) *Noticees* had a reasonable expectation of an increase in the price and volume traded in the scrip/contract following the broadcasting of the recommendations on the channel. Hence, till the time the recommendations were made public, it remained a non-public information.
- d) *Noticees* devised a scheme to take advantage of the advance possession of non-public information about the recommendations given by *Guest Experts* on the shows. The scheme involved *Guest Experts* to share, directly or indirectly, their recommendations with Nirmal Kumar Soni and Partha Sarathi Dhar, before the same were broadcasted on Zee Channel. The exact timings of the shows were also shared among the *Guest Experts* and *Noticee Nos. 1 and 2*.

- e) Based on the prior possession of this non-public information, *Noticee No. 1* and 2 placed the first leg of orders in the same scrip/contract (first- leg of the trade) through the trading account of *Noticee Nos. 1 to 5*, before the telecast of the recommendations made by *Guest Experts*. Thereafter, the *Noticees* squared off the position (second leg of the trade) immediately around the time or after the recommendations were telecasted on the shows, thereby earning significant profits from the favourable movement in price and volume of the scrip/contract.
  
- f) The Enablers (*Noticees Nos. 6 to 10*) provided log-in credentials/ trading accounts/ client codes and passwords/ NEAT terminal details of broker etc. and enabled trades to be executed in the account of *Noticees Nos. 3, 4 and 5* by the *Noticee No. 1*.
  
- g) There are sufficient evidences in the form of proximity of trades executed in the accounts of *Noticees Nos. 1 to 5*, to the recommendations made by *Guest Experts* in the shows.
  
- h) Profit earned through recommendation based trades were shared by *Profit Makers* with these *Guest experts* through cash and other non-banking channels/arrangement.

143. Hence, it is held, *prima facie*, that an amount of INR 7,41,29,648 calculated as per Table No. 30 and 31 is a profit which has been earned by *Profit Makers* from trades executed on the basis of advance receipt of non-public information of recommendations provided by *Guest Experts*. *Enablers* have helped *Profit Makers* in executing these transactions. A part of the profit has also been shared with *Guest Experts*.

**K. Examination of violation of provisions of SEBI Act and regulations made thereunder**

144. After giving a, *prima facie*, finding on facts, I now proceed to examine whether the scheme employed by *Noticees* (as described above), is in violation of the provisions of the SEBI Act and Regulations made thereunder. If there is violation, then it is to be examined as to who all are liable for the said violations. Then the determination is required for the person who are liable for the disgorgement of wrongful gains generated from trades executed through the above discussed scheme. It is also important to look at legal provisions under which appropriate directions can be issued in this order.

145. The text of relevant provisions of the SEBI Act, the PFUTP Regulations, SEBI (Research Analyst) Regulations and SEBI (Intermediaries) Regulations are reproduced below-

***SEBI Act***

*11 (4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely: —*

- (a) suspend the trading of any security in a recognised stock exchange;*
- (b) restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;*
- (c) suspend any office-bearer of any stock exchange or self-regulatory organisation from holding such position;*

*(d) impound and retain the proceeds or securities in respect of any transaction which is under investigation;*

....

***Power to issue directions and levy penalty.***

*11B. Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary, —*

- (i) in the interest of investors, or orderly development of securities market; or*
- (ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interest of investors or securities market; or*
- (iii) to secure the proper management of any such intermediary or person, it may issue such directions,—*
  - (a) to any person or class of persons referred to in section 12, or associated with the securities market; or*
  - (b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.*

*Explanation.—For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.]*

*(2) Without prejudice to the provisions contained in sub-section (1), sub-section (4A) of section 11 and section 15-I, the Board may, by an order, for reasons to*



*be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.*

***Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.***

*12A. No person shall directly or indirectly—*

*(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;*

*(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;*

*(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder; ...*

*(e) deal in securities while in possession of material or non-public information or communicate such material or non-public information to any other person, in a manner which is in contravention of the provisions of this Act or the rules or the regulations made thereunder;*

## **PFUTP Regulations**

### **3. Prohibition of certain dealings in securities**

*(a) buy, sell or otherwise deal in securities in a fraudulent manner;*

*(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*

*(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*

*(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under*

### **4. Prohibition of manipulative, fraudulent and unfair trade practices**

*(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.*

*(2) Dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves any of the following:—*

*...*

*(d) inducing any person for dealing in any securities for artificially inflating, depressing, maintaining or causing fluctuation in the price of securities through*

*any means including by paying, offering or agreeing to pay or offer any money or money's worth, directly or indirectly, to any person;]*

...

*(o) fraudulent inducement of any person by a market participant to deal in securities with the objective of enhancing his brokerage or commission or income*

***SEBI (Research Analyst) Regulations, 2014***

*Regulation 2(1)(c) "associate" means an associate as defined in Securities and Exchange Board of India (Intermediaries) Regulations, 2008; Limitations on trading by research analysts.*

*Regulation 16(2) Independent research analysts, individuals employed as research analyst by research entity or their associates shall not deal or trade in securities that the research analyst recommends or follows within thirty days before and five days after the publication of a research report.*

***SEBI (Intermediaries) Regulations, 2014***

*2(1)(b) "associate" means any person controlled, directly or indirectly, by the intermediary, or any person who controls, directly or indirectly, the intermediary, or any entity or person under common control with such intermediary, and where such intermediary is a natural person will include any relative of such intermediary and where such intermediary is a body corporate will include its group companies (as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (Act No. 54 of 1969) or any re-enactment thereof) or companies under the same management;*

146. It is required to be examined whether there has been *prima facie* violation of

- (i) Section 12A of SEBI Act and Regulations 3 and 4 of PFUTP Regulations;
- (ii) Regulation 2(1)(c) and Regulation 16(2) of SEBI (Research Analyst) Regulations, 2014 read with Regulation 2(1)(b) of SEBI (Intermediaries) Regulations, 2014;

147. If there is a violation of sections/regulations listed in the preceding paragraph, it will then be required to be examined whether there are sufficient grounds for issuance of direction under section 11(1), 11(4) and 11B (1) of SEBI Act.

K.1. Violation of Section 12A of SEBI Act and Regulations 3 and 4 of PFUTP Regulations:

148. These provisions have been reproduced in the earlier paragraph. In brief, these provisions prohibit-

- (i) use of or employment of any manipulative or deceptive device or contrivance, in contravention of the provisions of the SEBI Act or rules or regulations;
- (ii) employment of any device scheme or artifice to defraud;
- (iii) engagement in any act, practice, course of business which operate/would operate as fraud or deceit upon any person in contravention of the provisions of the SEBI Act or rules or regulations;
- (iv) dealing in securities while in possession of material or non-public information or communicate such material or non-public information to any other person in contravention of the provisions of the SEBI Act or rules or regulations; or
- (v) dealing in securities which is manipulative, fraudulent or an unfair trade practice.

149. It may be pointed out that violation of any one of the above violations listed in immediately preceding paragraph would result in the violation under the SEBI Act

and PFUTP regulations. Though in a particular case there may be more than one violations due to overlapping natures of these violations.

150. In the earlier part of this order, it has been examined and demonstrated with evidence that how *Noticees* have, *prima facie*, devised/employed a scheme where Guest Experts, before making recommendations on Zee Business, communicated such information amongst each other and also with Profit Makers in advance. These Profit Makers then engage in executing first leg of trade just before the recommendation to be aired and then after recommendation has been aired, close the position with the second leg of transaction and in the process, the Profit Makers have earned profit to the tune of INR 7.41 Crore during the investigation period. This profit is, *prima facie*, unlawful since *Noticees No 1 to 5* had got advanced information, directly or indirectly, about the impending recommendations in an unfair manner (to the detriment of general investors). They have used this advance information to make profit by trading on the basis of such advance information knowing that investors would act on the recommendations and the price and volume would move in the expected direction enabling them to make profit. It has also been shown with data as to how these recommendations had impact on price and volume of the scrip/contract being recommended, creating opportunities for making unlawful gains on the basis of advance information. On this basis the advance information has been classified as non-public information. There are evidences of connections amongst *Noticees*, sharing of advance information about recommendations of *Guest Experts* with *Profit Makers*, taking advance position in trades by these *Profit Makers* based on such advance non-public information. Apart from evidences, these acts of commission have also been admitted by *Noticees* in deposition made before the investigating authority. These acts are detrimental to the interest of integrity of the securities market and also adverse to the interest of investors who invest based on recommendations of *Guest Experts* totally unaware of any scheme being employed by them. Further, it has been set out in detail that the unfair gains so earned by *Profit Makers* have also been shared with *Guest Experts* which has been admitted under statement on oath and there are evidences

of such gains being shared through non-banking channels. Hence, not only Noticees have dealt in securities while in possession of non-public information, they have also devised a scheme to defraud investors in connection with dealing in listed securities. All this seen together would clearly demonstrate that there is a *prima facie* case of violation of provisions of section 12A of SEBI Act and Regulations 3 and 4 of PFUTP Regulations. This finding is further strengthened in subsequent paragraphs.

151. It will be relevant here to refer to the Palmer's Company Law, 25th Edition (2010), Volume 2 at page 11097 wherein the following has been stated: "*Market manipulation is normally regarded as the "unwarranted" interference in the operation of ordinary market forces of supply and demand and thus undermines the "integrity" and efficiency of the market.*" The facts of this case clearly shows that Noticees have devised a scheme to interfere in the ordinary operation of market forces of supply and demand to make unlawful gains for themselves. Thus, this would *prima facie* qualify as manipulation and the scheme that they devised would qualify as manipulative scheme.

152. In this regard, reliance is placed on the observations of Hon'ble SC in the matter of *SEBI and Ors. vs. Shri Kanaiyalal Baldevbhai Patel and Ors.* (2017 SCC Online SC 1148), wherein the Hon'ble Court held as follows:

*"31. Although unfair trade practice has not been defined under the regulation, various other legislations in India have defined the concept of unfair trade practice in different contexts. A clear cut generalized definition of the 'unfair trade practice' may not be possible to be culled out from the aforesaid definitions. Broadly trade practice is unfair if the conduct undermines the ethical standards and good faith dealings between parties engaged in business transactions. It is to be noted that unfair trade practices are not subject to a single definition; rather it requires adjudication*

*on case to case basis. Whether an act or practice is unfair is to be determined by all the facts and circumstances surrounding the transaction. In the context of this regulation a trade practice may be unfair, if the conduct undermines the good faith dealings involved in the transaction. Moreover the concept of 'unfairness' appears to be broader than and includes the concept of 'deception' or 'fraud'. .... Coupled with the above, is the fact, the said conduct can also be construed to be an act of unfair trade practice, which though not a defined expression, has to be understood comprehensively to include any act beyond a fair conduct of business including the business in sale and purchase of securities."*

153. In this case too, the practices adopted by *Noticees* are held *prima facie* as unfair trade practice since their conducts undermines the ethical standards and good faith dealings between Guest Experts and investors acting on the recommendations of such Guest Experts. The act of Profit Makers in trading in securities on the basis of advance information gives them undue, unfair and illegal advantage over investors who otherwise invested in such securities based on recommendation without being aware of the manipulative scheme entered into by Profit Makers and Guest Experts with the help of Enablers.
154. Reliance is also placed on decision of Hon'ble Supreme Court in the matter of *SEBI vs. Rakhi Trading Pvt. Ltd.* and other connected appeals decided on February 8, 2018, wherein the Hon'ble Court while dealing with provisions of Regulation 4(1) of PFUTP Regulations held as follows:

*"35. Having regard to the fact that the dealings in the stock exchange are governed by the principles of fair play and transparency, one does not have to labour much on the meaning of unfair trade practices in securities. Contextually and in simple words, it means a practice which does not conform to the fair and transparent principles of trades in the stock market..." "...Securities market, as*

*the 1956 Act provides in the preamble, does not permit “undesirable transactions in securities”. The Act intends to prevent undesirable transactions in securities by regulating the business of dealing therein. Undesirable transactions would certainly include unfair practices in trade. The SEBI Act, 1992 was enacted to protect the interest of the investors in securities. Protection of interest of investors should necessarily include prevention of misuse of the market. Orchestrated trades are a misuse of the market mechanism. It is playing the market and it affects the market integrity”.*

155. In this case as well, it has been seen how the practice adopted by Noticees in cohesion does not conform to the fair and transparent principles of trades in the stock market. These practices are against the interest of investors who act on the basis of recommendations of Guest Experts. Hence, such practices are held prima facie as unfair trade practices.

156. At this stage, it is pointed out that in various instances, the Hon'ble Courts have underscored the need to curb the manipulative and unfair trade practices in the securities market. In one of such cases, the Hon'ble Supreme Court, in the matter of ***N Narayanan vs. Adjudicating Officer, SEBI decided on April 26, 2013***, while dealing with the concept of market abuse in securities market has *inter alia* held as follows:

*“Prevention of market abuse and preservation of market integrity is the hallmark of Securities Law. Section 12A read with Regulations 3 and 4 of the Regulations 2003 essentially intended to preserve ‘market integrity’ and to prevent ‘Market abuse’. The object of the SEBI Act is to protect the interest of investors in securities and to promote the development and to regulate the securities market, so as to promote orderly, healthy growth of securities market and to promote investors protection. Securities market is based on free and open access to information, the integrity of the market is predicated on the quality and the*



*manner on which it is made available to market. 'Market abuse' impairs economic growth and erodes investor's confidence. Market abuse refers to the use of manipulative and deceptive devices, giving out incorrect or misleading information, so as to encourage investors to jump into conclusions, on wrong premises, which is known to be wrong to the abusers. The statutory provisions mentioned earlier deal with the situations where a person, who deals in securities, takes advantage of the impact of an action, may be manipulative, on the anticipated impact on the market resulting in the "creation of artificiality".*

157. The Hon'ble Supreme Court has further observed that *if market abuse is not properly curbed, then it would result in defeating the very object and purpose of SEBI Act.....Prevention of market abuse and preservation of market integrity is the hallmark of Securities Law...Market manipulation is normally regarded as the "unwarranted" interference in the operation of ordinary market forces of supply and demand and thus undermines the "integrity" and efficiency of the market".*

158. Further, in the matter of *SEBI vs Rakhi Trading (supra)*, the Hon'ble Supreme Court observed "*... market manipulation is a deliberate attempt to interfere with the free and fair operation of the market and create artificial, false or misleading appearances with respect to the price, market, product, security and currency*".

159. In this case as well, there are evidences of market abuse and weakening of market integrity since there is no free and open access to information. The information is first shared with select few with an intention to make unlawful gains before being shared in an open manner. Such practices shake investors' confidence in stock market and interfere in the operation of ordinary market forces of supply and demand thereby challenging market integrity.

160. In view of the factual analysis and legal discussion so far in this order, I held that there is a *prima facie* case of manipulative, fraudulent and unfair trade practice

carried out by *Noticees* which ultimately generated large amount of unlawful gains (approximately INR 7.41Crore) in the accounts of *Noticee nos. 1 to 5*. Infact, a thorough analysis of facts and legal position lead me to the conclusion that all the five violations listed earlier at para 148 of this order with respect to Section 12A of the SEBI Act and Regulations 3&4 of PFUTP Regulation have been committed in this case as under:

- (i) There is use of or employment of fraudulent/manipulative or deceptive device or contrivance, in contravention of the provisions of the SEBI Act or rules or regulations, as discussed earlier, by *Noticees*.
- (ii) There is employment of device scheme or artifice to defraud investors, as discussed earlier, by *Noticees*.
- (iii) There is engagement in act, practice, course of business which operated as fraud or deceit upon investors in contravention of the provisions of the SEBI Act or rules or regulations, as discussed earlier, by *Noticees*.
- (iv) There is dealing in securities by *Noticees Nos. 1 to 5 (Profit Makers)*, while in possession of material or non-public information in the form of advance information about recommendation to be made by *Guest Speakers*. Such non-public information has been communicated, directly or indirectly, by *Noticees Nos. 11 to 15 (Guest Experts)* to other *Noticees Nos. 1 to 5 (Profit Makers)* in contravention of the provisions of the SEBI Act or rules or regulation. The *Enablers* i.e. *Noticees Nos. 6 to 10* have aided the *Noticee No. 1* in successful execution of the above stated fraudulent and unfair trades.
- (v) There is dealing in securities which is fraudulent or an unfair trade practice, as discussed earlier in the trading accounts of *Noticee Nos. 1 to 5 (Profit Makers)*.

161. In addition, it is seen that Regulation 4 of PFUTP regulations states that no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets. Sub-regulations (2) of this regulation deems the following, *inter-alia*, as manipulative fraudulent or an unfair trade practice:

(d) inducing any person for dealing in any securities for artificially inflating, depressing, maintaining or causing fluctuation in the price of securities through any means including by paying, offering or agreeing to pay or offer any money or money's worth, directly or indirectly, to any person;

(o) Fraudulent inducement of any person by a market participant to deal in securities with the objective of enhancing his brokerage or commission or income.

162. The evidences collected and discussed in earlier part of this order clearly brings out that

(i) *Notices Nos 1 to 5* made profit and shared such profit with *Notices Nos. 11 to 15 (Guest Experts)* whose recommendations induced person (viewers of their show) to dealing in securities recommended by them while at the same time *Profit Makers* front running in those securities. Thus, it is deemed to be fraudulent or an unfair trade practice under clause (d) of sub-regulation 2 of regulation 4 of PFUTP regulations;

(ii) Out of five *Guest Experts*, two were registered RAs and one employee of registered RA during the investigation period. They have fraudulently induced viewers of their show to deal in securities with the objective of enhancing their income. This is deemed to be fraudulent or an unfair trade practice under clause (o) of sub-regulation 2 of regulation 4 of PFUTP regulations.

163. Accordingly, it is held that, *prima facie*,-

- (i) *Noticees Nos. 1 to 5 (Profit Makers)* have violated provisions of Sections 12A(a), 12A (b), 12A(c), and 12A(e) of SEBI Act, Regulations 3 (a), 3(b), 3(c), 3(d), 4(1) and 4(2)(d) of SEBI (PFUTP) Regulations;
- (ii) *Noticees Nos. 6 to 10 (Enablers)* have violated provisions of Sections 12A(a), 12A (b), 12A(c), and 12A(e) of SEBI Act, Regulations 3(a), 3(b), 3(c), 3(d) and 4(1) of SEBI (PFUTP) Regulations;
- (iii) *Noticees Nos. 11 to 15 (Guest Experts)* have violated provisions of sections 12A(a), 12A (b), 12A(c), and 12A(e) of SEBI Act, Regulations 3 (a), 3(b), 3(c), 3(d), 4(1) and 4(2)(o) of SEBI (PFUTP) Regulations

K.2. Violation of Regulation 2(1)(c) and Regulation 16(2) of SEBI (Research Analyst) Regulations 2014 read with Regulation 2(1)(b) of SEBI (Intermediaries) Regulations 2014:

164. In addition to the above, it is observed that the *Noticee No. 15* namely Simi Bhaumik, being a registered Research Analyst, falls under the purview of the RA Regulations. It has already been seen that Simi Bhaumik shared her recommendations with Partha Sarathi Dhar (registered as spouse in the AOF provided by Bank) before recommending the same on Zee Business thereby facilitating Partha Sarathi Dhar to trade based on such prior knowledge of recommendations. As can be inferred from the evidence gathered during the investigation, the trading instances of Partha Sarathi Dhar were significantly influenced by the advance information provided by Simi Bhaumik. In this regard, the provisions of Regulations 2(1)(c) and 16(2) of the SEBI (Research Analyst) Regulations, 2014 and Section 2(1)(b) of the SEBI (Intermediaries) Regulations, 2008, (produced earlier at para 145) prohibit a research analyst or **its associates** to deal or trade in securities that the research analyst recommends or follows within thirty days before and five days after the publication of a research report. It is further pertinent to note that spouse is included as associate in terms of the definition under regulation 2(1)(b) of SEBI (Intermediaries) Regulations. It has been found and recorded above that Partha Sarathi Dhar, spouse of Simi Bhaumik had traded in

scrip/contract after receipt of information pertaining to her recommendation to be broadcasted on the Zee Business. It is therefore, held *prima facie* that Simi Bhaumik has violated provisions of regulation 16(2) of SEBI (Research Analyst) Regulations, 2014 by sharing information with her husband who dealt in those securities and made unfair profits.

**L. Need for interim ex-parte order**

165. Having discussed the acts being prima facie in violations of SEBI Act, and regulations made thereunder, it would be important to examine the requirement to pass this interim ex-parte order. Section 11(4) and 11B reproduced earlier (para 145) allow SEBI to restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities and to issue “such directions as may be necessary” in the interest of investors of the securities market. In the present case, the investigation has been successfully able to *prima facie* highlight the scheme and device orchestrated intricately by *Noticees* where the non-public information about the impending stock recommendation was passed on by *Guest Experts*, knowing fully well that such a recommendation was going to cause an impact on the price/volume of the scrip/contract. The *Profit Makers* took position in the same scrip/contract and immediately upon such recommendation being aired, the *Profit Makers* squared off their positions. It has also been found as to how such sharing of information by *Guest Experts* and trades by *Profit Makers* were being followed repeatedly leading to large gains in the accounts of *Profit Makers*, a pie of which was evidently shared with *Guest Experts*. It is interesting to note that *Guest Experts* are not any ordinary influencers who were issuing their stock recommendations, but all of them were having some expertise which led Zee Business to invite them on its shows. I have also highlighted the large number of followers of these Guest Speakers on social media platform. This has further increased in most cases since the investigation

period as under (approximate followers as on date as compared to followers during the investigation period):

- (I) Kiran Jadhav: from 140.0K to 143.7K
- (II) Himanshu Gupta, from 15.7K to 19.2K
- (III) Mudit Goyal, from 25.3K to 25.6K
- (IV) Simi Bhaumik, from 26K to 25.6K

166. I note that Section 11 of the SEBI Act confers a duty on the Board to protect the interests of investors in securities and to promote the development of and to regulate the securities market. In a way all these three objects are interlinked. In order to develop the securities market, it is necessary that the interest of investors is protected. Any manipulation in the market would adversely impact the interest of investors. This would result in loss of trust of these investors in the securities market impacting market integrity. A robust securities market is important for the growth and development of the economy. Hence, it is important that market is regulated and steps taken to discourage any manipulation or wrong practice in order to protect the interest of investors as well to develop the securities market. Accordingly, to achieve the objectives of SEBI Act, SEBI has been authorised to take such measures as it things fit. Thus, the power to take all measures as may be necessary to discharge its duty under the stature has been conferred in widest amplitude. Pursuant to the said objective, PFUTP Regulations have been formulated with the main objective of preventing fraudulent activities in order to boost investor confidence in the securities market and to provide an environment conducive to increased participation and investment in the securities market.

167. The facts of this case demonstrates clear scheme of manipulation to harm the interest of investors by misguiding them to take position in securities so that Profit Makers could make profit at the cost of such investors. Unlawful gains made by these *Profit Makers* come, directly or indirectly, from the pockets of innocent

investors who follow the advice of *Guest Experts* unaware of the fraudulent scheme. Hence, it is necessary that whenever such schemes are noticed, steps are taken to intervene and stop further damage to securities market. Further, the wrongful gains generated from such schemes need to be disgorged. Legal discussion at paragraphs 151 to 158 further mandates SEBI to intervene and contain any further damage.

168. Keeping in views the above discussion, I am of the view that it is a fit case to pass ad interim ex parte order to insulate the securities market from the mischievous act of *Noticees* and also to prevent these *Noticees* in conducting similar activities which are *prima facie* against the interest of investors as well as against the development of securities market. Further, there is an urgency to protect the wrongful gains from getting siphoned off beyond the regulatory reach.

169. Apart from the above discussion, there is another reason for urgency of this interim ex parte order. Investors education is very important as it empowers investors to protect their own interest. It is important for investors to exercise due diligence before accepting any free flowing advice on TV or social media. There are many experts who are spreading financial literacy in India and empowering investors to take their own decision. Most of the experts fall in this category and are doing a very good job which has resulted in robust securities market that we have today. However, the same cannot be said about a few other experts who take advantage of their mass following to make unfair profits by misguiding innocent investors.

170. It is necessary for investors to exercise due diligence while listening to such experts on TV or on social media. There are many orders passed by the SEBI which has highlighted how these platforms are used by some of these experts to implement fraudulent and unfair schemes like front running, pump and dump, etc. Often many investors become victim of such schemes and have lost money. Hence, investors

should exercise due diligence. If any expert promises that this particular scrip/contract will definitely rise and guarantees an assured return in short time, an immediate question should come to the mind as to why the expert is not using that information quietly to make profits for himself? It should be seen by investors whether that expert is registered with SEBI as research analyst? If no, whether he is violating the law and misguiding investors? If yes, whether his advice on a particular scrip/contract is backed by research and analysis or is it just part of a fraudulent scheme?

171. At this stage, I place reliance on the order of the Hon'ble Securities Appellate Tribunal, passed in the case of *Amalendu Mukherjee Vs. SEBI* (Appeal (L) no. 169 of 2020), wherein the Hon'ble Tribunal has underscored the necessity of passing impounding orders by inter alia observing as:

*“We are of the opinion that the WTM is empowered under the SEBI Act and the Regulations to pass an ex-parte order in order to protect the interests of securities market and the investors. If such impounding order is not passed, it may result in defeating the ultimate direction of disgorgement if any, as there would be chances of such monies being dissipated by the appellant. ...”*

172. In view of the foregoing compelling facts and circumstances and after careful consideration of the totality of the facts surrounding the case, I am of the view that this is a fit case to invoke the statutory powers vested in SEBI to pass interim directions against *Noticees* through this order,

**M. Joint and several liability**

173. Having held that facts of this case warrant invocation of power for issuance of interim order, the issue which now merits discussion is who amongst *Noticees*, would be *prima facie* held liable for impounding of unlawful gains generated by the



employment of the *prima facie* fraudulent scheme devised by *Noticees*. From the above discussion, I note that the *Noticees* have played specific roles at various stages which have, *prima facie*, been found to be in violation of the SEBI Act and the regulations made thereunder. Analysis of evidences gathered in the course of investigation reveal that *Guest Experts* shared advance information pertaining to recommendations to be made by them with *Profit Makers (Noticee Nos. 1 and 2)*, before the broadcast of the recommendations on Zee Business. The Profit Makers, having received the information, took position in the scrip/contract and reversed the position or squared off the position upon broadcast of the recommendation on Zee Business. The evidences available on record also show that profit was shared with Guest Expert as per prior understanding. Considering the materials available on record, I note that the *Noticees* are jointly and severally liable for impounding of the proceeds (to the tune of INR 7,41,29,648/-) generated from the trades which are not in conformity with the provisions of securities laws as mentioned in the below table. Such joint and several liability is restricted amongst those *Noticees* who made these unfair profits, who enabled certain *Noticee* to make unfair profits or whose recommendations led to such unfair profits. This amount is arrived at based on Table no 30 where details of unlawful gains made by Profit Makers is computed separately for each of them.

174. The amount of wrongful gain for which the *Noticees* are jointly and severally liable, is accordingly arrived at the below table no 33. It is clarified that the *Noticee* mentioned at column no. 1 is jointly and severally liable for the amount of wrongful gains, mentioned at column no. 2, along with *Noticees* mentioned at column 3. Joint and several liabilities of *Noticees* mentioned at column no. 3 is restricted to the extent of the amount mentioned against their respective names in Table 30. In addition, Nirmal Kumar Soni is also held as joint and several liable for the amount along with SAAR Commodities, Manan Sharecom Private Limited and Kanhaya Trading Limited for the amount mentioned against their respective names in column no. 2.

**Table No. 33**

<b>Profit Maker (1)</b>	<b>Amount of wrongful gains (INR) (2)</b>	<b>Entities jointly and severally liable for wrongful gains along with Profit Maker (3)</b>
Nirmal Kumar Soni (Noticee No. 1)	<b>4,43,975</b>	Ashish Kelkar (Noticee No. 12), Himanshu Gupta (Noticee No. 13), Mudit Goyal (Noticee No. 14).
Partha Sarathi Dhar (Noticee No. 2)	<b>53,84,661</b>	Kiran Jadhav (Noticee No. 11), Ashish Kelkar (Noticee No. 12), Himanshu Gupta (Noticee No. 13), Mudit Goyal (Noticee No. 14), Simi Bhaumik (Noticee No. 15).
SAAR Commodities (Noticee No. 3)	<b>4,37,57,697</b>	Nirmal Kumar Soni (Noticee No. 1), Kiran Jadhav (Noticee No. 11), Ashish Kelkar (Noticee No. 12), Himanshu Gupta (Noticee No. 13), Mudit Goyal (Noticee No. 14), Simi Bhaumik (Noticee No. 15).
Manan Sharecom Pvt Ltd. (Noticee No. 4)	<b>1,35,01,336</b>	Nirmal Kumar Soni (Noticee No. 1), . Kiran Jadhav (Noticee No. 11), Ashish Kelkar (Noticee No. 12), Himanshu Gupta (Noticee No. 13), Mudit Goyal (Noticee No. 14), Simi Bhaumik (Noticee No. 15)
Kanhya Trading Company (Noticee No. 5)	<b>1,10,41,979</b>	Nirmal Kumar Soni (Noticee No. 1), Kiran Jadhav (Noticee No. 11), Ashish Kelkar (Noticee No. 12), Himanshu Gupta (Noticee No. 13), Mudit Goyal (Noticee No. 14), Simi Bhaumik (Noticee No. 15).
<b>Total</b>	<b>7,41,29,648/-</b>	

*In the matter of trading based on the stock recommendations given by Guest Experts appearing on Zee Business Channel*

#### **N. Ex-parte Interim Order**

175. Keeping in view the foregoing discussions, the compelling evidences brought on record, factual analysis and my observations on various aspects of the matter wherein it has been seen as to how certain entities indulged in fraudulent and unfair acts and unlawfully enriched themselves by taking advantage of being in a position to influence innocent investors, I observe that it is a fit case to pass *interim* directions to insulate the securities market and investors from the mischievous acts of the entities and also to urgently prevent these entities from continuing with their *prima facie* fraudulent activities while dealing in the securities market. Further, there is an urgency to protect the wrongful gains from getting siphoned off beyond the regulatory reach. Accordingly, I, in exercise of the powers conferred upon me under Sections 11, 11(4), 11B(1) read with Section 19 of the SEBI Act, by way of the present interim order, hereby issue the following directions, which shall remain in force until further order: -

- a) *Noticees* Nos 1 to 5 and 11 to 15 are restrained from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders.
  
- b) If the above *Noticees* have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. *Noticees* are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.

- c) The said *Notices Nos. 11 to 15* shall preserve the records of their various social media accounts maintained by them, directly or indirectly, till further directions.
- d) An amount of INR 7,41,29,648/-, being the total unlawful gain earned from the alleged fraudulent and unfair activities is impounded, jointly and severally from *Notices as mentioned in the table 33 above*.
- e) *Notices mentioned in the table no 33 above (1 to 5 and 11 to 15)* are directed to credit/deposit jointly/ severally the aforesaid amount of unlawful gains to an interest bearing Escrow Account created specifically for the purpose in a Nationalized Bank and deposit within 15 days from the date of service of this order. The above *Notices* shall create Escrow Account(s) with Lien in favour of SEBI and the amount kept therein shall not be released without permission from SEBI.
- f) Banks, where the *Notices (1 to 5 and 11 to 15)* are holding Bank accounts are directed to ensure that no debits shall be made, without the permission of SEBI, in respect of the bank accounts held jointly or severally by these *Notices*, except for the purposes of transfer of funds to the Escrow Account. Further, the Depositories are also directed that no debit shall be made, without permission of SEBI, in respect of the demat accounts held by the aforesaid *Notices*. However, credits, if any, into the accounts maybe allowed. Banks and the Depositories are also directed to ensure that all the aforesaid directions are strictly enforced. Further, debits in the bank accounts may also be allowed for amounts available in the account in excess of the amount to be impounded. Banks are allowed to debit the accounts for the purposes of complying with this Order.

- g) Registrar and Transfer Agents are directed to ensure that, they neither permit any transfer nor redemption of the securities, including Mutual Funds units, held by *Noticees nos 1 to 5 and 11 to 15*.
- h) *Noticees nos 1 to 5 and 11 to 15* are directed not to dispose of or alienate any of their assets/properties/securities, till such time the amount of unlawful gain is credited to an Escrow Account except with the prior permission of SEBI.
- i) Zee Media Corporation Limited is advised to preserve and maintain all records, documents, material, video records, etc., along with their content, related to *Noticee Nos. 11 to 15* and concerned shows till the final order of SEBI is passed.

176. The *prima facie* observations/ findings contained in this Order have been made on the basis of the material available on record. All the *prima facie* findings recorded in this Order shall be treated as allegations to the violations of the provisions of the SEBI Act, 1992 and PFUTP Regulations against the respective *Noticees*, and the instant order may be treated as an interim order cum show cause notice to the *Noticees*. Hence, the *Noticees* are hereby called upon to show cause as to why suitable directions, including the following, should not be issued/imposed against them under Sections 11(1), and 11B(1) of the SEBI Act, 1992, as proposed hereunder:

- a) Direction to disgorge an amount equivalent to the alleged unlawful profits made on account of the scheme as described above, along with interest.
- b) Directing them to refrain from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period.
- c) Directing the registered RAs to refrain from undertaking any activity relating to research advisory.

177. *Notices Nos. 1 to 5 and 11 to 15* are further called upon to show cause as to why appropriate penalty under Section 11B(2) and 11(4A) read with Section 15HA of SEBI Act, 1992 should not be imposed on them for the alleged violations of SEBI Act, 1992 and PFUTP Regulations, as the case may be.
178. The *Noticee No. 15* is further called upon to show cause as to why appropriate penalty under Section 11B (2) and 11(4A) read with Section 15HB of the SEBI Act, 1992 read with SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 should not be imposed on her for the aforementioned alleged violations of the SEBI (Research Analyst) Regulations, 2014.
179. *Notices Nos. 6 to 10* are called upon to show cause as to why appropriate suitable directions, including debarring them from associating themselves with the Securities Market, in any manner whatsoever, should not be issued/imposed against them under sections 11(1), 11(4), and 11B(1) of the SEBI Act, 1992. These *Notices* are further called upon to show cause as to why appropriate penalty under sections 11B(2) and 11(4A) read with section 15HA of the SEBI Act, 1992 should not be imposed on them for the alleged violations of the SEBI Act, 1992 and PFUTP Regulations, as the case may be.
180. *Notices* may file their replies to SEBI within 21 days from the date of receipt of this Order and avail an opportunity of personal hearing in the matter, if they so desire.
181. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against *Notices* in accordance with law.
182. This Order shall come into force with immediate effect and shall be in force until further orders.

183. A copy of this order shall be served upon *Noticees*, Stock Exchanges, Banks, Zee Media Corporation Limited, Registrar and Transfer Agents and Depositories for necessary action and compliance with the above directions.

-Sd-

**DATE: 8th February, 2024**

**PLACE: MUMBAI**

**KAMLESH C. VARSHNEY**

**WHOLE TIME MEMBER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**