

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

UNDER SECTIONS 11(1), 11(4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

IN RESPECT OF:

Sl. No.	Name of the Noticees	PAN
1.	PRADEEP BAIJNATH PANDYA	AIIPP0780C
2.	ALPESH VASANJI FURIYA	AAAPF0855A
3.	ALPESH VASANJI FURIYA (HUF)	AALHA9417Q
4.	ALPA ALPESH FURIYA	ADPPD4355B
5.	MANISH VASANJI FURIYA	AAAPF0856D
6.	MANISH VASANJI FURIYA (HUF)	AALHM8457L
7.	MAHAN INVESTMENT	ABQFM1625C
8.	TOSHEE TRADE	AARFT2714M
9.	OPU FUNIKANT NAG	AEWPN1888H

(COLLECTIVELY REFERRED TO IN THIS ORDER AS NOTICEES UNLESS OTHERWISE SPECIFIED IN THE CONTEXT OF THE INTERIM ORDER. NOTICEES 2 TO 8 ARE COLLECTIVELY REFERRED TO AS ALPESH FURIYA ENTITIES)

IN THE MATTER OF CNBC AWAAZ

1. Pradeep Bajinath Pandya ("**Pradeep Pandya**") was a news anchor appearing on the Hindi business news channel CNBC Awaaz ("**CNBC**"). A high correlation was noted between the stock recommendations given by him on the show '*Pandya Ka Funda* and the *Buy–Today–Sell–Tomorrow* trades ("**BTST**") and intra–day trades executed by Alpesh VasANJI Furiya ("**Alpesh Furiya**") and connected entities during the period November 1, 2019 to January 13, 2021.

2. Based on the above, after conducting a preliminary examination, SEBI passed an *Ad-Interim Ex-Parte Order cum Impounding Order* dated October 4, 2021 (“**Interim Order**”) against Noticees 1 to 6, *inter alia* directing as under:

“130.1. The aforesaid entities are restrained from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever until further Orders.

130.2. ...

130.3. Mr. Pradeep Pandya and Mr. Alpesh Furiya shall cease and desist from undertaking, directly or indirectly, any activity related to giving investment advice, sell or buy recommendations, publishing of research reports, etc. related to the securities market, through any media, physical or digital, till further directions.

130.4. ...

130.5. The bank accounts of the aforesaid entities, to the extent of amount mentioned against their names in the table no. 35 at paragraph 118 above, are impounded. The entities are directed to open an escrow account with a nationalized/ scheduled bank, jointly and/ or severally, and deposit the impounded amount mentioned therein which has been, prima facie, found to be proceeds generated from the prima facie unfair trading activity, in this Order, within 15 days from the date of service of this Order. The escrow account/s shall be an interest bearing escrow account and shall create a lien in favour of SEBI. Further, the monies kept therein shall not be released without permission from SEBI.

130.6. The bank accounts of the aforesaid entities are frozen for debit till further directions/communications. The banks where these entities are holding bank accounts, jointly or severally, are directed to ensure that till further directions, except for compliance with direction at paragraph 130.5, no debits are made in the said bank accounts without the permission of SEBI. The banks are directed to ensure that all the above directions are strictly enforced. On production of proof of deposit of entire amount as mentioned in column no. 4 of table no. 35 at paragraph 118, by entities mentioned in column no. 2, in the escrow account, SEBI shall communicate to the banks to defreeze the accounts corresponding to the entities mentioned in column no. 2 of table no. 35. However, in case of entities in column no. 2 appearing more than once in the said column, such entity’s bank account shall

remain frozen till the entire amount mentioned in column no. 4 corresponding to his/ her name is fully deposited.”

3. Noticee 2, in compliance with the directions in the Interim Order, deposited a sum of Rs. 8,39,64,340.71, the entire amount directed to be impounded vide the Interim Order, in an interest bearing account marking lien in favour of SEBI. Subsequently, after providing an opportunity of hearing to the said Noticees, the directions in the Interim Order, subject to certain relaxations, were confirmed vide Order dated August 26, 2022 (“**Confirmatory Order**”).
4. SEBI, thereafter, pursuant to the completion of the Investigation in the matter issued a Show Cause Noticee dated May 25, 2023 (“**SCN**”) to the Noticees. Apart from the Noticees covered in the Interim Order, SCN was also issued to Toshee Trade and Mahan Investment (Partnership Firms where Noticee 2 was a Partner) and Noticee 9, who was an employee of Noticee 2. The investigation period in the matter now covered the period starting from November 1, 2019 till October 04, 2021 (“**Investigation Period**”).
5. Noticees 1 to 8 submitted their replies to the SCN. Noticee 1 sought an opportunity to cross-examine certain persons whose statements were recorded by SEBI. The same was granted. The schedule of cross-examinations conducted in the matter is given in the Table below:

Table 1

	WITNESS	DATE
1.	SHAIENDRA BHATNAGAR	DECEMBER 7, 2023 AND FEBRUARY 06, 2024
2.	SUBHASH CHANDRA MAURYA	DECEMBER 08, 2023
3.	APARNA SHANBHAG	DECEMBER 08, 2023

6. After completion of the cross-examination, Noticee 1 was granted additional time to file a reply to the SCN. Thereafter, an opportunity of personal hearing was granted to all Noticees. Post-hearing submissions were also submitted by Noticees 1 to 8. The summary of written and oral submissions made on behalf of the Noticees 1 to 8 is provided hereunder:

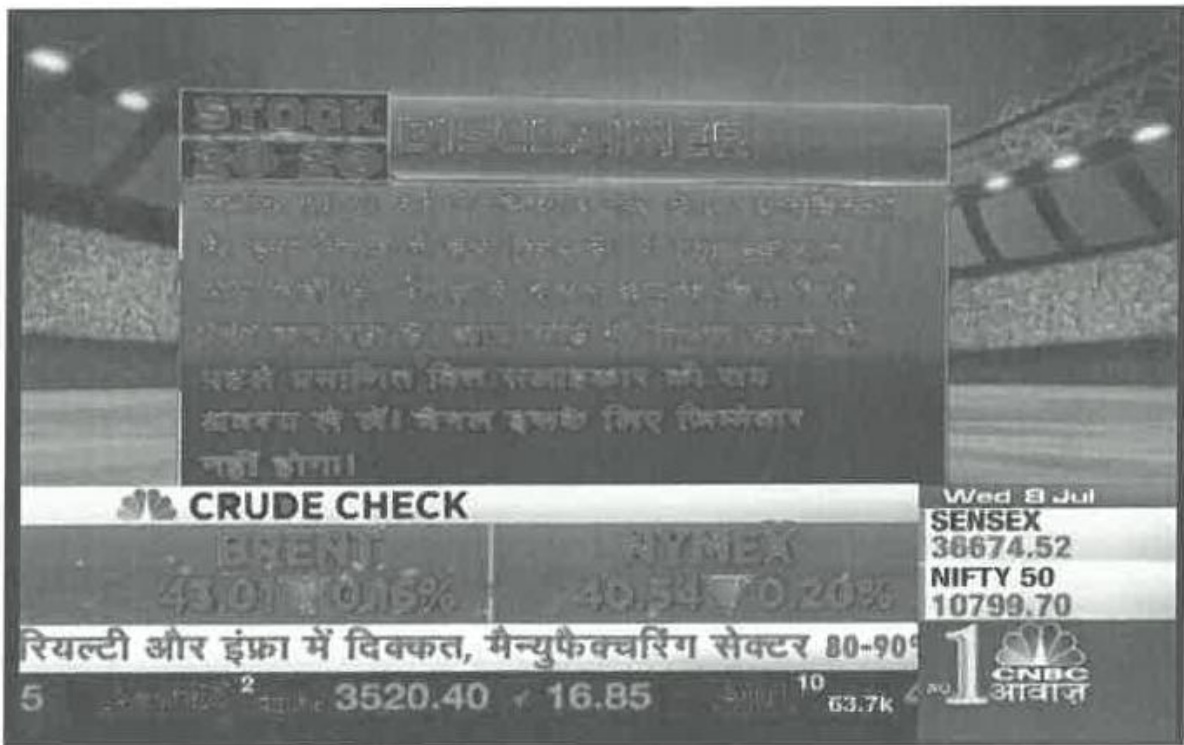
Noticee 1, Pradeep Pandya, *inter alia* submitted:

- i. *The stock recommendations made by him were entirely based on his independent research and analysis of market trends, fundamental*

factors and data provided by the channel, particularly the universe of stocks known as 'Stocks in News' ("SIN").

- ii. *His stock selection process primarily relied on SInS and the news that had a specific impact on a certain stock or sector, many of which were already experiencing momentum due to prevalent news in the market.*
- iii. *He has no control over how others choose to act on his recommendations. It was highlighted that stock trading ideas were telecast on national television and reached a large audience.*
- iv. *It cannot be assumed all the people watching the show would react in the same manner to the views presented in the show.*
- v. *The SCN gives an impression that the recommendations given by him made an impact on the stock price as soon as it was broadcast on the channel. This was not true and was not backed by evidence.*
- vi. *Out of the 421 scrips identified in Annexure G-1 of the SCN, 111 scrips showed a drop in prices in the 15-minute period following the recommendation.*
- vii. *He picked up shares for discussions during market hours when a large number of traders and investors, including FIs and Mutual Funds who would be following their pre-determined trading strategies, would be active in the market and therefore it would not be possible for the recommendations made by him to have significant impact.*
- viii. *A list of 68 scrips was submitted which, according to him, witnessed a price fall in the 15-minute period immediately following the recommendation made by him.*
- ix. *It was reiterated that he discussed stocks based on the news that came before or during the market hours and price-volume movement in the stocks. The job of the anchors and research team was to pick stocks and sectors in momentum. If a particular sector or stock was not in momentum it was not picked up by him for discussion.*
- x. *Further, a close review of the stock recommended by him would reveal that they had already witnessed significant price and volume momentum even prior to his recommendation.*

- xi. *He met Alpesh Furiya for the first time in 2013/14 when the latter started appearing on CNBC as a guest analyst. He did not have any prior acquaintance with Alpesh Furiya.*
- xii. *The conversation between him and Alpesh was strictly about professional matters. Alpesh being a subject expert, it was submitted that he used to consult him to get his views on some occasions.*
- xiii. *It was CNBC's policy that anchors would consult outside analysts to get stock ideas. He submitted a copy of a screenshot of the disclaimer run of the channel on July 08, 2020.*



- xiv. *The SCN appears to insinuate that engaging in any conversation with an analyst constituted a breach of SEBI Rules or CNBC's Code of Conduct. The screenshot above would indicate otherwise.*
- xv. *He was not the only person who would have advance information about the stocks that would be recommended on his show. Numerous other persons had access to this information.*
- xvi. *From the nature and content of the statements recorded by SEBI, it appeared that they have been recorded as per the instructions of SEBI. He, therefore, sought an opportunity to cross-examine Shailendra Bhatnagar, Aparna Shanbaug and Subhash Chandra Maurya.*

- xvii. *Subsequent to the cross-examination, he submitted that the said witnesses who were examined did not fully cooperate and contradictory statements were given by them. Given the same, it was submitted that the statements made by the said persons before SEBI could not be relied upon.*
- xviii. *He did not show any preference for having Alpesh Furiya as a guest on his show. In support of this contention, he relied upon the statement made by Aparna Shanbaug during the cross-examination that there were no fixed slots for analysts appearing on afternoon shows,*
- xix. *Reliance was placed on the statement of Aparna Shanbaug for also stating that the decisions related to the continuation or introduction of an analyst were taken by an informal editorial group consisting of Shailendra Bhatnagar, Dharmendra Singh and Neeraj Bajpai.*
- xx. *Noticee submitted that in certain instances Alpesh Furiya may have sought Noticee's views on certain scrips. Other than for this, there was no intention or event where the Noticee shared information with Alpesh Furiya.*
- xxi. *He had talked to other analysts also over the phone but conversations with them happened over WhatsApp or Zoom App unlike regular voice calls that he would have with Noticee 2.*
- xxii. *During the hearing, a question was put to his authorized representative by the Whole Time Member regarding whether he is willing to submit his WhatsApp history in support of his contention that he would talk to other analysts using this App. In response to this query, it was submitted that he had discarded the handset he was using at that point in time and therefore, did not have access to the said data.*
- xxiii. *In respect of the WhatsApp chat log relied upon in the SCN, the same cannot be relied upon as provisions of Section 65B of the Evidence Act were not complied with by SEBI while obtaining the said evidence.*
- xxiv. *The certificate relied upon by SEBI was with regard to the email dump, which in itself is secondary evidence. The primary evidence in this case would be the WhatsApp chats as available on the phone of the Noticee or on the servers of WhatsApp. The entire SCN was based on the*

illegally obtained WhatsApp chat and since its reliance in the SCN is against the law, the SCN should fail.

- xxv. *Without prejudice to the above, the “thumbs-up” emoji used in the chat could also mean “okay” or simply serve as an acknowledgement of the information devoid of any additional interpretation.*
- xxvi. *The SCN relies on the statement made by Bhatnagar to allege that information regarding the scrips that will be recommended by him was known only to him and no one else prior to its broadcast. The SCN also relied upon the statement made by Bhatnagar that Maurya had complained to him that the Noticee was not providing the recommendations to the production team in advance. In this regard, it was submitted that Maurya in his cross–examination submitted that he did not give any complaint against the Noticee and the complaint being referred to is a general complaint he had made which was applicable to all the anchors. Further, Bhatnagar during his examination could not remember the date when this complaint was made or when he had met Pandya to address the concerns raised in the complaint.*
- xxvii. *Bhatnagar had also admitted that he had met CNBC employees prior to his statement recording before SEBI which would indicate that he was coached to say what he did in his statement.*
- xxviii. *SCN relies on the statement of Aparna Shanbaug to allege that it was the Noticee who had introduced Furiya to CNBC. It was submitted that she failed to recall this during the cross examination and therefore the entire statement made by her is liable to be rejected.*
- xxix. *Further, Maurya’s statement that he had seen calls from VS appearing on the screen of the Noticee’s phone is not reliable as they did not sit close to each other at work.*

Noticee 2, Alpesh Furiya, inter alia submitted:

- i. *He was a technical analyst who has been trading regularly in the securities market for the last 15 years. He was also a columnist for the leading Gujarati newspapers Janmabhoomi and Gujarat Samachar for which he contributed columns regarding stock trading.*

- ii. *He accepted that he was taking the decisions for the trades executed in the accounts of Noticee 3 to 8.*
- iii. *He had met Noticee 1 for the first time while appearing on CNBC as a guest.*
- iv. *Similar to the strategy followed by him, Noticee 1 picked scrips based on momentum. This was the reason why a price increase was seen in the scrips picked up by SEBI for analysis.*
- v. *SEBI failed to take into consideration the time that would be taken by a reasonable person to input a trade after hearing Noticee 1's recommendation on live TV. In this regard, he submitted that it was reasonable to expect that there would at least be a one-minute delay for the market price to reflect the trades carried out based on the recommendation given by him.*
- vi. *He had sold the shares on most of the instances identified in SCN within one minute from the time the recommendation was made. This angle has not been examined by SEBI.*
- vii. *SEBI failed to consider that the trades in some scrips were executed by him before the recommendation of Noticee 1 was aired on CNBC. The SCN also fails to take into consideration the fact that the segments hosted by Noticee 1 would not appear on the channel at the same time every day.*
- viii. *The allegations in the SCN pertain to a period when the entire country was reeling under the lockdowns imposed as part of containing the COVID-19 pandemic. During this period, discussions with market participants happened over the phone.*
- ix. *He never got any confirmation from Noticee 1 regarding stocks he was going to recommend on live TV.*
- x. *It was reiterated that Noticee 1 would look for stocks with momentum to recommend and similarly he being a day trader, would also independently be looking for stocks with similar characteristics for trading.*
- xi. *Trades executed by him were based on technical breakouts and RSI indicators and such shares were brought through limit orders. He would*

enter the market at a particular range and the time of the day was not a factor taken into account by him while trading.

- xii. *The scrips included in the SCN had seen a significant price rise in the immediate aftermath of the sell orders executed by him. If he was aware of the recommendations made by Noticee 1, then it would have been logical for him to wait a little longer and exit at a higher price.*
- xiii. *The SCN proceeds on the premise that he and Pradeep Pandya are followed by a large number of investors and any recommendation made by them is acted upon by investors immediately. The SCN ignores the fact that CNBC is just one among the many business news channels operating in the country and each of them has many anchors and many more guests appearing on them.*
- xiv. *It can be clearly discerned from the WhatsApp chats included in the SCN that the intention of the Noticee was to suggest certain scrips where he indicated a move based on his technical analysis. Not even a single message exchanged between him and Noticee 1 would indicate that he had suggested stocks which were not doing well in the market.*
- xv. *SEBI has not produced a single shred of evidence to show any consideration being exchanged between Noticee 1 and him.*
- xvi. *Many scrips that were included in the Interim Order were removed and replaced with other scrips in the SCN. This, he submitted has resulted in a higher amount being disgorged by him.*
- xvii. *In respect of the WhatsApp chats relied on in the SCN, these pertained to general discussions between Noticee 1 and him and did not disclose any fraudulent activity.*
- xviii. *In connection to the allegation that he has sought the views of Noticee 1 regarding buying shares of Canara Bank, it was submitted that no reply was received from Noticee 1 and therefore, no adverse inference can be drawn.*
- xix. *Similar arguments were made in respect of the other stocks which were referred to in the WhatsApp chats. It was stated that the allegation that Noticee 1 was aware of the BTST trades undertaken by him was false.*

- xx. *To sustain a charge of fraud, it is necessary to show that there has been injury. In the present matter, there is no material to show that any investor has suffered any loss.*
- xxi. *Noticee raised doubts regarding the reliability of the data relied upon in the SCN. It was submitted that there were multiple instances where the SCN included scrips where the sell orders were placed before the recommendation made by Noticee 1 was aired. Such trades should be excluded.*
- xxii. *Many scrips which were included in the Interim Order were not part of the list attached to the SCN. This indicated that SEBI's investigation was not foolproof.*
- xxiii. *The SCN fails to provide any evidence to show that any money was shared by Noticee 2 with Noticee 1*
- xxiv. *He had already suffered grave injury as he has been kept out of the market for more than 2 years pursuant to the Interim Order despite no charges being established against him.*
- xxv. *SEBI has taken trades by him and compared the said data to see as to how many trades Noticee 1 has recommended from the ones recommended by Noticee 2. However, SEBI has not even analysed the said situation the other way round i.e. if the allegation is that the Noticees were aware of all recommendations made by Pandya, SEBI should have first analysed all recommendations by Pandya and then compared to see how many of them matched with the trades executed by the Noticee.*
- xxvi. *It is the momentum that triggers the entry of investors into the stock and not Noticees that create momentum.*
- xxvii. *He is a private trader who has no fiduciary obligation to others. He has not received any consideration from CNBC Awaaz, for appearing as a Guest expert. He has no obligation to disclose his positions (and that of other Noticees who are close family members for whom he was trading) to Noticee 1, or the market, as that would be adverse to his own trading and it is a fundamental right not to disclose his positions.*

7. It is noted from the records that even though the SCN and the hearing Notice were served on Noticee 9, no response was received from him. I note that adequate opportunities were granted to Noticee 9 to present his case before me. Given the same, I am of the view that sufficient opportunities in compliance with the principles of natural justice have been granted to Noticee 9 to defend the allegations against him. The matter, therefore, is being proceeded ex-parte against Noticee 9 based on the material available on record.

Consideration

8. I am moving forward to consider the allegations in the SCN and the replies filed by the Noticees. Prior to undertaking this exercise, it would be helpful to recount the modus operandi alleged in the SCN:

Noticee 1 was working for CNBC Awaaz, a Hindi Business news channel, as a news anchor. He was hosting programs and segments where stock recommendations were made. Noticee 2, who claims to be a technical analyst, used to appear as a guest on the channel and also used to make stock recommendations. It is SEBI's case that the recommendation made by both the Noticees had a significant impact on the market price and volume in the scrips that were recommended. The Noticees, taking advantage of the same, came together to operate a scheme whereby Noticee 1 would share advance information to Noticee 2 regarding shares that he would be recommending, enabling Noticee 2 to take positions in the scrip prior to the dissemination of the recommendation. In certain instances, it was alleged that Noticee 2 was also seen to be recommending scrips, where he had or planned to take positions, to Noticee 1 for recommending on air. Noticee 2 would, thereafter, square off his position after taking advantage of the price increase witnessed in the scrip post the recommendation made by the Noticee. SCN also alleged that Noticee 2 also took prior positions in the scrips that he would be recommending on air and would subsequently square off positions after taking advantage of the price rise resulting from the airing of his recommendations.

9. Having looked at the *modus operandi* alleged in the SCN, it would be appropriate to briefly introduce Pradeep Pandya and Alpesh Furiya and the impact the recommendations made by them had on the price and volumes witnessed in the recommended scrips.
10. It is noted from the records that during the investigation period, initially (till July 2020) Pradeep Pandya was mainly hosting/co-hosting the shows *Pehla Sauda* (9:00 AM to 10:00 AM) and *Aakhri Sauda* (2:00 PM to 3:30 PM). Subsequently, he moved on to anchoring the shows - *Traders Hotline* (10:30 AM to 11:00 AM) and *Future Express* (12:00 PM to 12:30 PM). He also anchored/ co-anchored certain other shows during this period in the absence of the regular anchors of those shows.
11. Stock recommendations were primarily made by Pradeep Pandya in certain exclusive segments presented by him such as *Pandya Ka Funda*, *Sasta Option*, *Achchhi Kamai* and *Breakout Share*, which appeared in the middle of the shows he was anchoring. In certain instances, these segments would also appear during shows anchored by other hosts. It was also noted that during the shows hosted/ co-hosted by him, he used to pick stocks for discussion with guest analysts and subsequently recommendations were made by the guest analysts.
12. Alpesh Furiya presented himself as a Technical Analyst. He is also an Authorized Person (“**AP**”) of stock broker Prudent Broking Services Pvt. Ltd. Alpesh Furiya has been associated with CNBC Awaaz as guest analyst from 2015–16 and he also used to give stock recommendations while appearing on the Channel.
13. It was noted that during the Investigation Period the overwhelming majority of the appearances made by Alpesh Furiya on CNBC were on shows hosted/ co-hosted by Pradeep Pandya. As per details provided by the Channel, Alpesh Furiya made 209 appearances on CNBC as a Guest Analyst during the Investigation Period, out of which 169 (80.86%) appearances were on the shows hosted/ co-hosted by Pradeep Pandya.

Impact on Price and Volume pursuant to the recommendations made by Pradeep Pandya

14. To examine the impact of the recommendations made by Pradeep Pandya, the price movement and volume traded in the recommended scrip in the 15-minute period immediately prior to and following the recommendation was analysed during the Investigation. To illustrate, three such cases mentioned in the SCN are being looked at and are discussed below (The trades executed by Alpesh Furiya Entities in these scrips will be separately examined).

Fairchem Speciality Ltd (FAIRCHEM)

15. Pradeep Pandya recommended the scrip FAIRCHEM on June 11, 2020, during his special segment “*Pandya Ka Funda*”, the details of which are given in the following Table:

Table 2

Recommendation Date (R day)	Scrip Recommended	Show Segment	Recommendation Time (First mention)	Nature of Recommendation
11/06/2020	FAIRCHEM	<i>Pandya Ka Funda</i>	9:35:38 Hrs	Buy (Target- Rs. 700)

16. The relevant screenshots of the recommendation given by Pradeep Pandya in the scrip FAIRCHEM are placed below. It can be noted that Pradeep Pandya started giving the recommendation at 9:35:38 Hrs.



17. A significant impact on the trading volume and price of the scrip of FAIRCHEM was noted post-recommendation of the scrip by Pradeep Pandya. The details of the same are given below:

Table 3

Recommendation date (T day)	11/06/2020
Scrip Recommended	FAIRCHEM
Recommendation Time	09:35:38
Pre-Recommendation Analysis Time Period (Pre Period)	09:20:38 - 09:35:38
Post Recommendation Analysis Time Period (Post Period)	09:35:38 - 09:50:38
Avg. Price During Pre Period (In Rs.)	577.87
Avg. Price During Post Period (In Rs.)	590.48
% Change in Avg. Price	2.18
Volume traded during Pre-Period	38050
Volume traded during Post-Period	282639
Total Traded Quantity during the day	534048
% Vol Contribution during Pre Period to total trading volume for the day	7.12
% Vol Contribution during Post Period to total trading volume for the day	52.92
% Change in Volume	642.81

18. It can be seen from the above table that there has been 642.81% increase in the trading volume within 15 minutes of the recommendation being made by Pradeep Pandya. This 15-minute period, it can be noted, contributed 52.92% of the total trading volume witnessed in the scrip during that day.
19. Further, it can also be noted that average price of the scrip in the 15-minute window post the recommendation was 2.18% higher than the average price noted in the 15-minute period prior to the recommendation.

Jindal Poly Films Ltd (JINDALPOLY)

20. The details of the recommendation given by Pradeep Pandya in the scrip of JINDALPOLY on June 10, 2020, in his special segment “*Pandya Ka Funda*” are placed below:

Table 4

Recommendation Date (R day)	Scrip Recommended	Show Segment	Recommendation Time (First mention)	Nature of Recommendation	Person communicating
10/06/2020	JINDALPOLY	<i>Pandya Ka Funda</i>	14:29:45	Buy (Target - 450)	Pradeep Pandya

21. The relevant screenshots of the recommendation given by Pradeep Pandya in the scrip are given below. Pradeep Pandya started giving the recommendation at 14:29:45 Hrs.



22. A significant impact on the trading volume and the price of the scrip of JINDALPOLY was noted post recommendation of the scrip by Pradeep Pandya. The details of the same are given below:

Table 5

Recommendation date (T day)	10/06/2020
Scrip Recommended	JINDALPOLY
Recommendation Time	14:29:45
Pre Recommendation Analysis Time Period (Pre Period)	14:14:45-14:29:45
Post Recommendation Analysis Time Period (Post Period)	14:29:45-14:44:45
Avg. Price During Pre-Period (In Rs.)	336.49
Avg. Price During Post-Period (In Rs.)	347.93

% Change in Avg. Price	3.40
Volume traded during Pre-Period	50189
Volume traded during Post-Period	513006
Total Traded Quantity during the day	882480
% Vol Contribution during Pre Period to total trading volume for the day	5.69
% Vol Contribution during Post Period to total trading volume for the day	58.13
% Change in Volume	922.15

23. It can be seen from the above table that there was +922.15% increase in the trading volume within 15 minutes of the recommendation made by Pradeep Pandya. The trading volume during this period represented 58.13% of the total trading volume in the scrip on that day. It can also be noted that there was a 3.40% increase in the average price of the scrip within 15 minutes of the recommendation made by Noticee 1.

Godfrey Phillips India Limited (GODFRYPHLP)

24. The details of the recommendation made by Pradeep Pandya in the scrip of GODFRYPHLP on June 09, 2020, in his special segment “*Pandya Ka Funda*” are placed below:

Table 6

Recommendation Date (R day)	Scrip Recommended	Show Segment	Recommendation Time (First mention)	Nature of Recommendation	Person communicating
09/06/2020	GODFRYPHLP	<i>Pandya Ka Funda</i>	14:16:36 Hrs	Buy (Target – Rs. 1330)	Pradeep Pandya

25. The relevant screenshots of the recommendation given by Pradeep Pandya in the scrip GODFRYPHLP are placed below. Pradeep Pandya started giving the recommendation at 14:16:36 Hrs.



26. A significant impact on the trading volume of the scrip of GODFRYPHLP was noted post recommendation of the scrip by Pradeep Pandya. The price of the scrip also increased during this period. The details of the same are given below:

Table 7

Recommendation date (T day)	09/06/2020
Scrip Recommended	GODFRYPHLP
Recommendation Time	14:16:36
Pre Recommendation Analysis Time Period (Pre Period)	14:01:36-14:16:36
Post Recommendation Analysis Time Period (Post Period)	14:16:36-14:31:36
Avg. Price During Pre Period (In Rs.)	1048.07
Avg. Price During Post Period (In Rs.)	1052.74
% Change in Avg. Price	0.45
Volume traded during Pre Period	25521
Volume traded during Post Period	212671
Total Traded Quantity during the day	443265
% Vol Contribution during Pre Period to total trading volume for the day	5.76
% Vol Contribution during Post Period to total trading volume for the day	47.98
% Change in Volume	733.32

27. It can be seen from the above table that there has been 733.32% increase in the trading volume within 15-minutes post recommendation of the scrip by Pradeep Pandya. This 15-minute period, it can be noted, contributed 47.98% of the total trading volume witnessed in the scrip during that day.

28. Further, it can also be seen from the above table that there has been an increase of 0.45% in the average price of the scrip within 15 minutes post-recommendation of the said scrip on air by Pradeep Pandya.
29. It can, therefore, be noted from the above that a significant increase in price and volume was noted in the scrips recommended by Pradeep Pandya on CNBC Awaaz. The increase in volume traded in the 15-minute period immediately following the recommendation is a reflection of the investor interest generated by the recommendations made on air by Noticee 1. Given the same, I note that it can be concluded that Noticees 1 and 2 can reasonably be expected to be of the view that the recommendations made by Noticee 1 had significant positive impact on the price of the recommended scrips and the said information prior to its broadcast on the Channel is being considered as material non-public information.

Whether Alpesh Furiya Entities were trading ahead of the recommendations made by Pradeep Pandya

30. It is noted that the Interim Order primarily relied on the consistent correlation observed between the trades of Alpesh Furiya Entities and recommendations made by Pradeep Pandya to arrive at the *prima facie* finding that these trades were executed by Noticee 2 based on material non-public information, regarding upcoming recommendations, shared by Pradeep Pandya.
31. Thereafter, during the investigation, SEBI came across a copy of WhatsApp chats exchanged between the two during the month of June 2020. These chats were heavily relied upon in the SCN to substantiate the allegation that information regarding upcoming recommendations was being shared between Pradeep Pandya and Alpesh Furiya.
32. Both the correlation observed and the WhatsApp chat exchanges, along with the replies of the Noticees on these issues, are being looked at in the following paragraphs.

Correlation between the trades of Alpesh Furiya Entities and the recommendations made by Pradeep Pandya

33. The correlation relied upon in the Interim Order was based on the timing of the BTST and Intra Day Trades of Alpesh Group Entities and the recommendations made on air by Pradeep Pandya. It was prima facie noted that there was a consistent and repeated pattern that was observed wherein the sell leg of the trades executed by Alpesh Furiya Entities closely matched the airing of the buy recommendations made by Pradeep Pandya.
34. Based on this pattern, the Interim Order identified trades which were prima facie noted to be placed based on the information shared by Noticee 1. The details of such synchronised trades placed from the account of Alpesh Furiya is given in the following Table extracted from the Interim Order.

Table 8

Type of trades						
	No of instances	Gross Traded Value (Rs. Crore)	Average Gross Trade Value (Rs. Crore)	Profit (Rs. Crore)	Instances where payoff was positive	Profit (Rs. Crore) in cases where payoff was positive
BTST Trading Activity	208	149.06	0.72	3.62	173	3.72
Intraday Trading activity on 'R' day	462	306.69	0.66	3.13	416	3.22
Total	670	455.75	0.68	6.74	589	6.95
Breakup: Trades that prima facie appeared to be undertaken in synchronization with Buy Recommendation of Pradeep Pandya						
BTST Trading Activity	105	106.19	1.01	3.12	103	3.13
						84.0%
Intraday Trading activity on 'R' day	182	182.28	1.00	2.22	171	2.25
						69.9%
Total	287	288.47	1.01	5.35	274	5.38
		63.3%		79.3%		
% figures are a comparison of trading activity that was in sync with recommendations of Pradeep Pandya vis-à-vis trading activity irrespective of recommendation of Pradeep Pandya						

35. Based on the above data, it was noted in the Interim Order that the majority of BTST and Intraday trades of Alpesh Furiya appear to be, *prima facie*, in synchronization with the recommendations made by Pradeep Pandya. It was noted that about 80% of the profit generated by Noticee 2 was accounted for by trades done in synchronisation with recommendations made by Pradeep Pandya. It was further noted that Alpesh Furiya had earned a profit of Rs. 6.74 Crore out of which Rs. 5.35 Crore, representing 79.3% of his total profit during this period, was result of such apparently synchronised trades.
36. It was also noted that the average value of the trades of Alpesh Furiya Entities, covered in the Interim Order, which were in synchronisation with the recommendations by Pradeep Pandya, were around three times higher than the average value of trades in the scrips where no recommendations were made.
37. This along with CDR data, which showed frequent communication between Pandya and Alpesh was the basis for arriving at the *prima facie* finding in the Interim Order that on a balance of probabilities it appears that Noticee 2 was taking long positions in scrips based on the information shared by Noticee 1.

WhatsApp chats

38. On analysis of the e-mail logs of Pradeep Pandya, provided by CNBC vide letter dated November 03, 2022, it was noted that Pradeep Pandya had taken a backup of WhatsApp chats between him and one “**VS**” for certain dates in the month of June 2020 and e-mailed the chat backup to his CNBC Awaaz e-mail id (Pradeep.Pandya@nw18.com) vide email dated June 17, 2020.

Preliminary objections regarding the admissibility of the WhatsApp chats

39. It was contented by Noticee 1 that the WhatsApp chats relied upon in the SCN are not admissible as evidence. In this regard, as noted above, the WhatsApp chats were noticed while combing through the dump of the office e-mails of Noticee 1 provided by CNBC Awaaz. It is noted that the company while providing this data had also provided a certificate under Section 65B of the Indian Evidence Act, 1872, certifying that the information shared with SEBI was a true copy of the information as available on the computer systems of the Company.

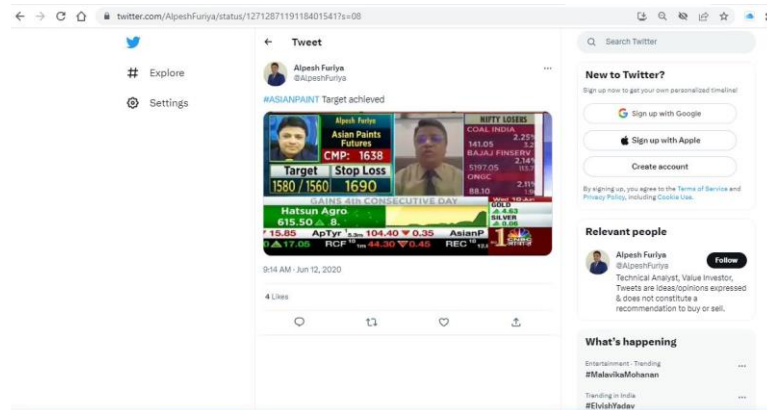
40. I, therefore, note that what is being relied upon is an attachment to an e-mail which the Noticee sent to his office e-mail ID. The certificate provided by the Company confirms that the information shared is a true copy of the said e-mail as stored on the computer systems of the Channel. Given the same, I note that the preliminary objection raised regarding the admissibility of the chats has no merit.

Identity of the persons exchanging the WhatsApp chats

41. It is noted from the records that Pradeep Pandya vide e-mail dated February 23, 2023, accepted that Alpesh Furiya's phone number (8850683958) was saved in his phone under the initials 'VS'. Apart from this admission, it is noted that the SCN has relied on various instances from the chats to support the finding that the backed-up chats pertained to WhatsApp messages exchanged between Pradeep Pandya and Alpesh Furiya, the details of which are given below:
42. On June 12, 2020, at 8:43:46 Hrs, "VS" sent a text message to Pradeep Pandya advising him to recommend the scrip Asian Paints. It was stated in the text that he (VS) had already given a sell call in the scrip at Rs. 1,640 with a target of Rs. 1,580 and Rs. 1,560. The relevant chats are extracted in the Table below:

<i>[12/06/20, 8:43:46 AM] VS: Boss.... pl aaj Asian paint cover Karna sell given at 1640 for the Tgt of 1580 & 1560 □</i>			
<i>[12/06/20,</i>	<i>9:14:32</i>	<i>AM]</i>	<i>VS:</i>
<i>https://twitter.com/AlpeshFuriya/status/1271287119118401541?s=08</i>			
<i>[12/06/20, 9:17:26 AM] VS: Look at intraday long green candle</i>			
<i>[12/06/20, 9:20:02 AM] Pandya: hmm</i>			

43. It can be noted from the chats that “VS” also shared a link to Tweets made by Alpesh Furiya on June 12, 2020, at 9:14 Hrs which contained a snapshot of the sell call given by Alpesh Furiya on CNBC Awaaz on June 10, 2020 in Asian Paints Futures at Rs. 1,640 with target of Rs. 1,580 and Rs. 1,560. The snapshot of the said Twitter link is placed below:




44. It is noted from the records that the aforesaid snapshot, tweeted by Alpesh Furiya, was cross-verified during the SEBI Investigation with the video files obtained from CNBC Awaaz. It was noted that Alpesh Furiya gave a sell recommendation in Asian Paints Futures at Rs. 1,640 with a target of Rs. 1,580 & Rs. 1,560 on June 10, 2020 at 14:38:42 Hrs. The relevant screenshot is placed below.

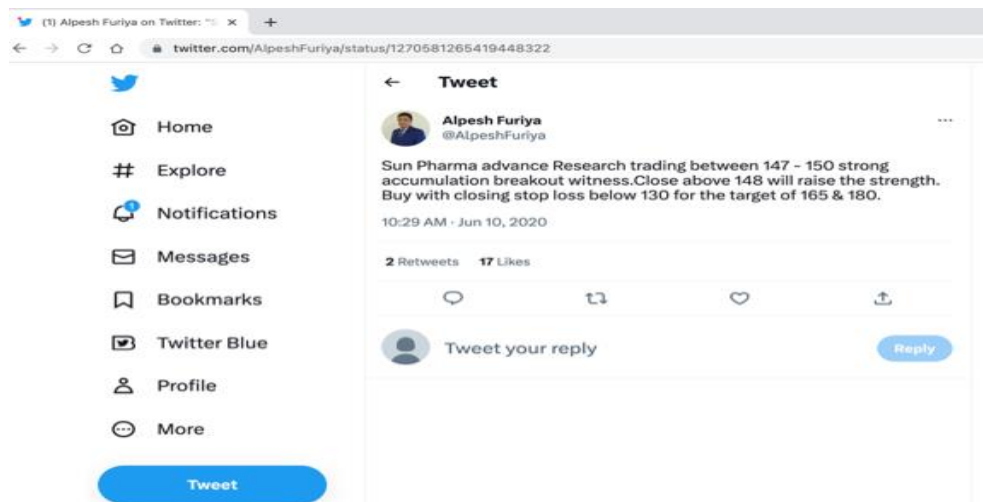


45. In another instance, the SCN notes that on June 10, 2020, at 8:42:54 Hrs., “VS” wrote to Pradeep Pandya asking him to recommend the scrip Sun Pharma Advanced Research Co Ltd (SPARC). It was noted during the investigation that Pradeep Pandya subsequently recommended the scrip at 9:26:59 Hrs on June

10, 2020. The relevant chats along with the screenshot of Pradeep Pandya giving recommending the scrip are placed below:

<p>[10/06/20, 8:42:54 AM] VS: Buy SPARC 145 with closing stop loss below 125 for the target of 165 & 180</p> <p>...</p> <p>...</p> <p>[10/06/20, 9:24:07 AM] VS: SPARC de do</p> <p>[10/06/20, 9:24:12 AM] VS: Hmm....</p> <p>[10/06/20, 9:27:59 AM] VS: Great move ☐</p> <p>[10/06/20, 9:31:41 AM] Pandya: ☐☐</p> <p>...</p> <p>...</p> <p>[10/06/20, 10:31:04 AM] VS: I tweet on sparc no issue ne ???</p> <p>[10/06/20, 11:18:59 AM] VS: Only SPARC ☐☐☐</p>	
--	--

46. It can be noted that immediately after the recommendation made on air by Pandya in the scrip, “VS” responded with a “thumbs up” emoji. Subsequently, on the same day at 10:31:04 Hrs, “VS” wrote to Pradeep Pandya “I tweet on sparc no issue ne ???” to which Pradeep Pandya does not appear to reply. It was noted from the Twitter account of Alpesh Furiya that he tweeted a recommendation on the same scrip on June 10, 2020, at 10:29:00 Hrs (“...buy with closing stop loss below 130 for the target of 165 & 180”) which was immediately prior to the said chat exchange with Pradeep Pandya. The screenshot of the said tweet by Alpesh Furiya is placed below:



47. It is noted that multiple other similar instances are given in the SCN to substantiate the identity of the individuals exchanging the WhatsApp chats. I am of, however, of the view that it may not be necessary to delve into these for the purpose of establishing the identity of the persons exchanging the chats for the following reasons:
- a. The two sets of chats extracted above, I note, presents a strong case that the chats were being exchanged between Pradeep Pandya and Alpesh Furiya.
 - b. The recommendations being shared between the two, which will be discussed in the next part of this Order, further corroborate these findings as the contents of the chats match both the public recommendations made by Pandya and the trading data of Alpesh Furiya Entities. In this regard, I note that the chats matching the trades executed by Alpesh Furiya Entities was a critical piece of evidence as the trade data was not information which would be available in the public domain. Thus, the trade data matching contemporaneous chats being exchanged sufficiently illustrated that these chats were being exchanged between Alpesh Furiya and Pradeep Pandya.
48. Given the above, I am of the view that there is sufficient material on record to conclude that the WhatsApp chats pertained to conversations between Pradeep Pandya and Alpesh Furiya.

Were Alpesh Furiya Entities trading in securities based on material non-public information shared by Pradeep Pandya

49. In support of the allegation that information regarding upcoming recommendations was either shared by Pradeep Pandya with Alpesh Furiya or Pradeep Pandya was recommending scrips suggested by Alpesh Furiya, the SCN referenced twelve instances where Alpesh Furiya was alleged to have taken positions in securities based on upcoming recommendations to be made by Pradeep Pandya.

50. I note that even though the SCN refers to thirteen instances, for the purposes of this Order, it would be sufficient to examine six such instances.

I. **Fairchem Speciality Ltd (FAIRCHEM)-(BTST & Intraday Trades)**

51. It was noted that between June between June 09, 2020, and June 11, 2020, WhatsApp messages were exchanged between Pradeep Pandya and Alpesh Furiya in respect of the scrip of FAIRCHEM. The relevant chat extracts are placed below:

09/06/20, 10:13:51 AM] VS: Fairchem
...
...
[11/06/20, 8:39:46 AM] VS: Morning funda : Fairchem
[11/06/20, 8:46:23 AM] VS: Confirmation aapo please ???
[11/06/20, 8:49:17 AM] VS: BSE shifts expiry of weekly derivatives contracts to Monday from Thursday - <https://economictimes.indiatimes.com/markets/stocks/news/bse-shifts-expiry-of-weekly-derivatives-contracts-to-monday-from-thursday/articleshow/76296197.cms>
[11/06/20, 8:55:36 AM] VS: ???
[11/06/20, 9:02:38 AM] VS: ???
[11/06/20, 9:02:44 AM] VS: Breakout ???
[11/06/20, 9:09:21 AM] Pandya: Fairchem morning funda yes
...
...
[11/06/20, 12:02:14 PM] VS: Fairchem 9% bhaga tau Veeru bolta hei 8% chala

52. It can be noted that this particular exchange starts with a message from Alpesh Furiya which only contains the name of the scrip(FAIRCHEM). This, it is noted, appears to be a suggestion made by Alpesh Furiya to Pradeep Pandya to recommend the scrip. Subsequent to this, on June 11, 2020, at 8:39:46 Hrs, Alpesh Furiya again appears to reiterate this suggestion to recommend the scrip to Pradeep Pandya, this time as a “funda”, which can reasonably be inferred as a suggestion to recommend the scrip during the segment ‘Pandya Ka Funda. At 8:46:23 Hrs, Alpesh Furiya can be seen to be seeking confirmation from Pradeep Pandya on whether the scrip is going to be recommended on the show. Then at 9:09:21 Hrs, Pradeep Pandya replied saying “Fairchem morning funda yes”. Subsequently, at 9:35:38 Hrs, Pradeep

Pandya gives a recommendation to buy the scrip of FAIRCHEM in “*Pandya Ka Funda*”. Later at 12:02:14 Hrs, Alpesh Furiya texts Pandya stating that the scrip of FAIRCHEM rose by 9%.

53. It is noted from trading data that Alpesh Furiya and his brother Manish Furiya purchased 8,685 shares of FAIRCHEM on June 10, 2020 (the date of the initial message). On June 11, 2020, after Pradeep Pandya confirmed his selection of the scrip of FAIRCHEM for recommendations at 9:09:21 Hrs, Alpesh Furiya purchased a further 3,831 shares of FAIRCHEM (from 09:15:37 Hrs to 09:34:56 Hrs). Subsequently, Alpesh Furiya and Manish Furiya squared off their position in the scrip selling the entire 12,516 shares of FAIRCHEM between 9:35:49 Hrs to 9:37:12 Hrs. It is noted that a profit of Rs. 5,89,545 was made from the said trades. The details of the trades carried out by Alpesh Furiya in his own trading account and the trading account of his brother Manish Furiya are placed below:

Table 9

Name of Client	Scrip	Date of Buy Leg	Buy Qty.	Avg. Buy Price (Rs)	Buy Trade Start Time	Buy Trade End Time	Date of Sell Leg	Sell Qty.	Avg. Sell Price (Rs)	Sell Trade Start Time	Sell Trade End Time	Profit/Loss (Rs)
Manish Furiya	FAIRCHEM	10/06 /2020	2,516	549.56	15:11:50	15:22:04	11/06 /2020	2,516	595.04	09:35:58	09:36:41	1,14,413
Alpesh Furiya	FAIRCHEM	10/06 /2020	6,169	530.64	14:19:59	15:07:22	11/06 /2020	6,169	595.25	09:35:49	09:37:12	3,98,562
Alpesh Furiya	FAIRCHEM	11/06 /2020	3,831	575.26	09:15:37	09:34:56	11/06 /2020	3,831	595.25	09:35:49	09:37:12	76,569
TOTAL			12,516					12,516				5,89,545

II. Jindal Poly Films Ltd (JINDALPOLY) – (BTST and Intraday trades)

54. It was noted from the backup of the WhatsApp chats exchanged between Pradeep Pandya and Alpesh Furiya, that on June 10, 2020, at 12:05:49 Hrs, Alpesh Furiya texted Pradeep Pandya to recommend the scrip of JINDALPOLY as “*funda*”. He also specified a target price of Rs. 450. Pradeep Pandya responded to this message at 13:32:00 Hrs, replying with the message “*Ok*”. It was noted that at 14:29:45 Hrs, Pradeep Pandya gave the recommendation to buy the scrip of JINDALPOLY in “*Pandya Ka Funda*” with a target price of Rs. 450. Later at 14:37:54 PM, Alpesh Furiya sent a “*GIF*” (image not available in

chat) and Pradeep Pandya replied with thumbs up emoji. The relevant extract of the chat are placed below:

[10/06/20, 12:05:49 PM] VS: Afternoon funda : Jindal poly
 [10/06/20, 1:08:32 PM] VS: Jindal poly Tgt 450
 [10/06/20, 1:08:57 PM] VS: Pkf' mei dena
 ...
 ...
 [10/06/20, 1:32:00 PM] Pandya: Ok
 ...
 ...
 [10/06/20, 2:37:54 PM] VS: GIF omitted
 [10/06/20, 2:38:17 PM] Pandya: 👍

55. As stated earlier, Pradeep Pandya started giving the recommendation in the scrip at 14:29:45 Hrs. It is noted from the trading details that Alpesh Group Entities purchased 4,000 shares and 31,531 shares of JINDALPOLY on June 09, 2020 and June 10, 2020, respectively. Subsequently, they squared off the entire position in the scrip on June 10, 2020, the day the recommendation was made by Pradeep Pandya. The relevant details of the trades carried out by Alpesh Furiya in his own trading account and the trading account of his brother Manish Furiya are placed below:

Table 10

Name of Client	Scrip	Date of Buy Leg	Buy Qty.	Avg. Buy Price (Rs)	Buy Trade Start Time	Buy Trade End Time	Date of Sell Leg	Sell Qty.	Avg. Sell Price (Rs)	Sell Trade Start Time	Sell Trade End Time	Profit/Loss (Rs)
Alpesh Furiya	JINDAL POLY	09/06 /2020	4000	307.51	12:24:35	15:11:37	10/06 /2020	4000	340.88	12:01:40	14:31:32	1,33,470
Alpesh Furiya	JINDAL POLY	10/06 /2020	21552	319.83	09:50:15	14:29:21	10/06 /2020	21552	340.88	12:01:40	14:31:32	4,53,754
Manish Furiya	JINDAL POLY	10/06 /2020	9979	327.29	13:03:35	14:12:33	10/06 /2020	6000	341.60	14:08:53	14:30:12	80,755
TOTAL			35531					35531				6,67,979

56. As can be observed, Alpesh Furiya and Manish Furiya sold their entire holding of 35,531 shares within two minutes of the recommendation being aired by Pradeep Pandya giving the Furiya brothers a profit of Rs. 6,67,970.

III. **Godfrey Phillips India Limited (GODFRYPHLP – Intraday trade)**

57. From the chat backup, it was noted that Alpesh Furiya on June 09, 2020, at 11:36:52 Hrs. suggested the scrip of GODFRYPHLP to which Pradeep Pandya replied at 11:49:41 Hrs with a “tick mark” emoji. Thereafter, at 14:12:42 Hrs, Alpesh Furiya wrote “Boss...jaldi dena looking at mkt condition”. Pradeep Pandya at 14:16:36 Hrs gave the recommendation to buy the scrip of GODFRYPHLP in “Pandya Ka Funda”. The relevant extract of the chats is placed below:

[09/06/20, 11:36:52 AM] VS: Godfrey 1036 looks hot & spicy 🌶️
[09/06/20, 11:41:57 AM] Pandya: 1080 to 1100
[09/06/20, 11:48:40 AM] VS: ✓
[09/06/20, 11:49:41 AM] Pandya: ✓
...
...
[09/06/20, 2:12:42 PM] VS: Boss...jaldi dena looking at mkt condition
[09/06/20, 2:15:40 PM] Pandya: Apu or hold?
[09/06/20, 2:15:58 PM] VS: Yes aapo aapo
[09/06/20, 2:16:02 PM] VS: Hamnaj
[09/06/20, 2:20:29 PM] VS: Khicha.....
[09/06/20, 2:20:35 PM] VS: 1058
[09/06/20, 2:22:07 PM] VS: New high 📈📈📈
[09/06/20, 2:22:50 PM] VS: GIF omitted
[09/06/20, 2:31:00 PM] Pandya: 👍

58. It is noted from the trading details of Alpesh Group Entities that they purchased 9,459 shares of GODFRYPHLP till 14:14:29 i.e. after Pradeep Pandya confirmed the scrip for recommendation at 11:49:41 Hrs. Later, they squared off their position and quickly sold 9,459 shares of GODFRYPHLP between 14:16:46 hrs to 14:18:42 i.e. after Pradeep Pandya gave the recommendation to buy the scrip at 14:16:36 Hrs in Pandya Ka Funda. The entities made a profit of Rs. 1,02,487 from the said trades. The relevant details of the trades carried out by Alpesh Furiya in his own trading account are placed below:

Table 11

Name of Client	Scrip	Date of Buy Leg	Buy Qty.	Avg. Buy Price (Rs)	Buy Trade Start Time	Buy Trade End Time	Date of Sell Leg	Sell Qty.	Avg. Sell Price (Rs)	Sell Trade Start Time	Sell Trade End Time	Profit/Loss (Rs)
Alpesh Furiya	GODFR YPHLP	09/06 /2020	5500	1041.85	11:36:17	14:14:29	09/06 /2020	5500	1053.54	14:16:46	14:18:42	64,284
Manish Furiya	GODFR YPHLP	09/06 /2020	3959	1044.64	13:35:04	14:12:27	09/06 /2020	3959	1054.29	14:17:13	14:17:28	38,203
TOTAL			9459					9459				1,02,487

IV. Sun Pharma Advanced Research Co Ltd (SPARC - BTST and Intraday trades)

59. The details of the recommendation given by Pradeep Pandya in the scrip of SPARC on June 10, 2020, which he claimed to have identified as a “Breakout” are placed below:

Table 12

Recommendation Date (R day)	Scrip Recommended	Show Segment	Recommendation Time (First mention)	Nature of Recommendation
10/06/2020	SPARC	Breakout	9:26:59 Hrs	Buy

60. The relevant screenshots of the recommendation given by Pradeep Pandya in the scrip SPARC are placed below. Pradeep Pandya started giving the recommendation at 9:26:59 Hrs.



61. It is noted from the records that Alpesh Furiya on 09/06/20 at 15:12:03 Hrs sent a WhatsApp message to Pradeep Pandya where he appears to recommend

the scrip of SPARC to Pradeep Pandya with a target price of Rs. 165-180. Thereafter, on June 10, 2020, at 9:24:07 Hrs, Alpesh Furiya again writes to Pradeep Pandya “SPARC de do” to which Pradeep Pandya replies at 9:24:12 Hrs with the text “Hmm”. Immediately after that, Pradeep Pandya, it is noted, picked the scrip of SPARC for discussion at 9:26:59 Hrs claiming that he has identified a “Breakout” in the scrip. After Pradeep Pandya gave the recommendation, Alpesh Furiya wrote to Pradeep Pandya “Great move (with thumbs up emoji)” and Pradeep Pandya replied to the text with a “thumbs up” emoji.

62. The relevant extract of the chats is placed below:

[09/06/20, 3:12:03 PM] VS: Buy SPARC 145 - 146 sl below 125 Tgt 165 & 180
...
...
[10/06/20, 8:42:54 AM] VS: Buy SPARC 145 with closing stop loss below 125 for the target of 165 & 180
...
...
[10/06/20, 9:24:07 AM] VS: SPARC de do
[10/06/20, 9:24:12 AM] VS: Hmm....
[10/06/20, 9:27:59 AM] VS: Great move 👍
[10/06/20, 9:31:41 AM] Pandya: 👍
[10/06/20, 9:39:27 AM] VS: It means ye funda mei liya tau bhag Sakta hei
[10/06/20, 9:42:37 AM] VS: Listen my friend how much time they are giving to their stock and discussing again and again
[10/06/20, 9:43:02 AM] VS: Keep in mind and you also do the same to your pick
[10/06/20, 9:43:54 AM] VS: Sunclay 1833
[10/06/20, 9:45:32 AM] Pandya: Hmm
...
...
[10/06/20, 10:31:04 AM] VS: I tweet on sparc no issue ne ???
[10/06/20, 11:18:59 AM] VS: Only SPARC 📈📈📈

63. It is noted from the trading details that Alpesh Furiya Entities purchased a total of 4500 shares of SPARC on June 09, 2020, from 15:12:51 Hrs to 15:14:10 Hrs i.e. after he and Pradeep Pandya started discussing the scrip on June 09, 2020 at 15:12:03 Hrs. Alpesh Furiya subsequently purchased 2,500 shares of SPARC on June 10, 2020, between 09:23:07 Hrs to 09:23:41 Hrs. Alpesh Furiya, thereafter, sold the entire 9,000 shares between 09:27:10 Hrs to

09:27:21 Hrs after Pradeep Pandya picked up the scrip of SPARC for discussion at 9:26:59 Hrs and gave a buy recommendation. Alpesh Furiya Entities made a profit of Rs. 39,070 from the said trades. The relevant details of the trades carried out by Alpesh Furiya in his own trading account and the trading account of his brother Manish Furiya are placed below:

Table 13

Name of Client	Scrip	Date of Buy Leg	Buy Qty.	Avg. Buy Price (Rs)	Buy Trade Start Time	Buy Trade End Time	Date of Sell Leg	Sell Qty.	Avg. Sell Price (Rs)	Sell Trade Start Time	Sell Trade End Time	Profit/Loss (Rs)
Alpesh Furiya	SPARC	09/06/2020	2500	146.00	15:13:52	15:13:55	10/06/2020	2500	152.02	09:27:10	09:27:10	15,051
Manish Furia	SPARC	09/06/2020	2000*	146.01	15:12:51	15:14:10	10/06/2020	2000	152.06	09:27:21	09:27:21	12,094
Alpesh Furiya	SPARC	10/06/2020	2500	147.25	09:23:07	09:23:41	10/06/2020	2500	152.02	09:27:10	09:27:10	11,926
TOTAL			7000					7000				39,070

*Net buy (4000 bought and 2000 sold)

64. It is further noted that these chats indicated that scrips recommended by Pradeep Pandya as “Breakout Shares” were in fact identified based on discussion between Noticee 1 and 2, prior to the recommendation day. This is contrary to the submission made by Pradeep Pandya before me to the effect that “Breakout Shares” were picked only on the recommendation day and that too based on certain technical parameters.

V. **NCL Industries Limited (NCLIND)** (BTST & Intraday trades)

65. The details of the recommendation given by Pradeep Pandya in the scrip of NCLIND on June 12, 2020, in his special segment “Pandya Ka Funda” are placed below:

Table 14

Recommendation Date (R day)	Scrip Recommended	Show Segment	Recommendation Time (First mention)	Nature of Recommendation	Person communicating
12/06/2020	NCLIND	Pandya Ka Funda	09:31:56 Hrs	Buy (Target – 90)	Pradeep Pandya

66. The relevant screenshots of the recommendation given by Pradeep Pandya in the scrip NCLIND are placed below. Pradeep Pandya started giving the recommendation at 9:31:56 Hrs.



67. It was noted that Alpesh Furiya on June 11, 2020, at 11:33:47 Hrs made a suggestion to Pradeep Pandya to recommend the scrip NCLIND. Later, on June 12, 2020, at 8:41:04 Hrs, Alpesh Furiya messaged Pradeep Pandya to take the scrip NCLIND in Pandya Ka Funda. Thereafter, at 9:27:23 Hrs. and 9:31:02 Hrs, Alpesh Furiya appears to be telling Pradeep Pandya to start his segment Pandya Ka Funda and give the recommendation. Pradeep Pandya, subsequently, recommended the scrip NCLIND on June 12, 2020, at 09:31:56 Hrs in Pandya Ka Funda. The relevant extract of the chats is placed below:

[11/06/20, 11:33:47 AM] VS: NCL ind
 ...
 ...
 [12/06/20, 8:41:04 AM] VS: Morning funda: NCL Ind 71
 ...
 ...
 [12/06/20, 9:27:23 AM] VS: Ab funda dedo
 [12/06/20, 9:27:32 AM] VS: Kamal dikha do 🍷
 [12/06/20, 9:31:02 AM] VS: Positive Thai gayo jaldi aapo
 [12/06/20, 9:31:19 AM] VS: Aur jaroor bolna stock is positive on such fall
 [12/06/20, 9:36:19 AM] VS: Weak mkt mei lively 5 to 6% returns 🍷
 [12/06/20, 9:36:42 AM] VS: GIF omitted
 [12/06/20, 9:37:29 AM] Pandya: 🍷

68. It is noted from the trading details that Alpesh Group Entities purchased a total of 50,000 shares of NCLIND on June 11, 2020, from 11:45:17 Hrs to 15:29:25 Hrs i.e. after Alpesh Furiya and Pradeep Pandya started discussing the said scrip at 11:33:47 Hrs on June 11, 2020. Thereafter, Alpesh Furiya purchased 45,142 shares of NCLIND on June 12, 2020, after he and Pradeep Pandya again discussed the scrip on June 12, 2020 at 8:41:04 Hrs. Finally, Alpesh Furiya sold 95,142 shares of NCLIND on June 12, 2020, between 09:31:50 Hrs to 09:32:40 Hrs just as Pradeep Pandya started giving recommendation in the scrip at 09:31:56 Hrs in Pandya Ka Funda. The entities made a profit of Rs. 2,43,190 from the said trades. The relevant details of the trades carried out by Alpesh Furiya in his own trading account and the trading account of his brother Manish Furiya are placed below:

Table 15

Name of Client	Scrip	Date of Buy Leg	Buy Qty.	Avg. Buy Price (Rs)	Buy Trade Start Time	Buy Trade End Time	Date of Sell Leg	Sell Qty.	Avg. Sell Price (Rs)	Sell Trade Start Time	Sell Trade End Time	Profit/Loss (Rs)
Alpesh Furiya	NCLIND	11/06 /2020	50000*	70.08	11:45:17	15:29:25	12/06 /2020	50000	72.03	09:32:11	09:32:40	97,818
Alpesh Furiya	NCLIND	12/06 /2020	25000	69.70	09:18:57	09:30:18	12/06 /2020	25000	72.03	09:32:11	09:32:40	58,366
Manish Furiya	NCLIND	12/06 /2020	20142	68.33	09:15:29	09:17:50	12/06 /2020	20142	72.65	09:31:50	09:32:25	87,006
TOTAL			95142					95142				2,43,190

*Net buy (93892 Buy and 43892 sell)

69. It is also noted from the chats that the Noticees were not only discussing the scrip to be recommend but Alpesh Furiya had also informed Pradeep Pandya that he had made 5-6% returns in the scrip. It can, therefore, be noted that, contrary to the submission made before me, Noticee 1 was aware that Alpesh Furiya was taking positions in scrips that were discussed between them.

VI. Interglobe Aviation Ltd (INDIGO)

70. Pradeep Pandya was also giving recommendations in stock options during the special segment “Sasta Option Achchhi Kama”. On December 18, 2020, Pradeep Pandya made a recommendation in the stock option of INDIGO, the details of which are given in the Table below. The relevant screenshots of the recommendation are also placed below:

Table 16

Recommendation Date (t day)	18/12/2020
Recommendation Time	12:19:59
Show in which Recommendation made	Future Express
Show Segment	<i>Sasta Option Achchhi Kamai</i>
Person Communicating	Pradeep Pandya
Recommendation Type	Buy
Scrip Recommended	INDIGO
Call (CE) /Put (PE)	CE
Strike Price	1750
Expiry Month	Dec-2020



71. On December 18, 2020, it was noted from CDR records, that Alpesh Furiya had called Pradeep Pandya at 11:43:39. The details of the call are given in the Table below:

Table17

CDR Phone No (Alpesh Furiya)	Called Phone No (Pradeep Pandya)	Call Date	Call Time	Duration (Seconds)	Type Of Call
+91-8850683958	+91-7977718649	18/12/2020	11:43:39	38	CALL-IN

72. It is noted from the trade details of Alpesh Group Entities, that on December 18, 2020, immediately after the voice call with Pradeep Pandya at 11:43:39 Hrs, Alpesh Furiya purchased 32,000 units of INDIGO– CE–1750–DEC-2020 stock option. The details of the trades carried out by Alpesh Furiya in the trading accounts of Manish VasANJI Furiya (HUF) and Alpesh VasANJI Furiya (HUF) are given below:

Table 18

Scrip Details	INDIGO – CE – 1750 – DEC- 2020	
Trade Details	Manish VasANJI Furiya (HUF)	Alpesh VasANJI Furiya (HUF)
Buy Leg		
Date of Buy & Sell	18-Dec-2020	18-Dec-2020
Buy Qty	7,000	25,000
Avg Buy Price (Rs)	32.36	31.78
Buy Order Start Time	11:48:41	12:12:36
Buy Order End Time	11:59:12	12:15:13
Buy Trade Start Time	11:50:00	12:12:53
Buy Trade End Time	12:03:54	12:15:19
Sell Leg		
Date of Sell Leg	18-Dec-2020	18-Dec-2020
Sell Qty	7,000	25,000
Avg Sell Price (Rs)	34.02	33.32
Sell Order Start Time	12:15:53	12:17:17
Sell Order End Time	12:17:38	12:17:26
Sell Trade Start Time	12:19:44	12:20:07
Sell Trade End Time	12:20:21	12:20:41
Profit (Rs)	11,625	38,575

73. It is noted from the above that the buy orders were placed by Alpesh Furiya from 11:48:41 Hrs. minutes after the call with Pradeep Pandya at 11:43:39 Hrs. Later, he squared off his position between 12:19:44 Hrs. - 12:20:41 Hrs. just after Pradeep Pandya started giving recommendation in the said stock option at 12:19:59 Hrs. The entities made a profit of Rs. 50,200 from the said trade.
74. Given the above, I am of the view that the trading pattern of Alpesh Furiya Entities, the timing of the calls and the contents of the WhatsApp chats exchanged between Noticees 1 and 2, lead to the irrefutable conclusion that Alpesh Furiya was taking positions in securities based on material non-public information in connivance with Pradeep Pandya to benefit himself and Alpesh Furiya Entities.

Recommendations made by Alpesh Furiya and synchronization with the trades carried out by Alpesh Group Entities

75. It was also alleged in the SCN that Alpesh Group Entities executed trades in synchronization with the stock recommendations given by Alpesh Furiya as a guest analyst on CNBC Awaaz. Certain instances of such trades vis-à-vis the recommendations given by Alpesh Furiya during his appearance on the shows of CNBC Awaaz are placed below.

Table 19

Date of Rec. (R Day)	Show (Segment)	Scrip Rec.	Rec. first mention time	Rec. communicated by	Relevant Screenshot
19/02/2021	Traders Hotline (Fantastic stocks)	HERCULES (Hercules Hoists Ltd.)	10:32:54 Buy (Target - Rs. 165)	Alpesh Furiya	
31/03/2021	Traders Hotline (Guest Picks)	MANINFRA (Man Infraconstru ction Ltd)	10:33:55 Buy (Target - Rs. 45 & 50)	Alpesh Furiya	

Date of Rec. (Day)	Show (Segment)	Scrip Rec.	Rec. first mention time	Rec. communicated by	Relevant Screenshot
09/04/2021	Traders Hotline (Guest Picks)	GSLCEMENT (Gujarat Sidhee Cement Ltd)	10:33:44 Buy (Target - Rs. 45 & 49)	Alpesh Furiya	
02/06/2021	Traders Hotline (Guest Picks)	SALZERELEC (Salzer Electronics Ltd.)	10:29:56 Buy (Target - Rs. 220)	Alpesh Furiya	

76. It is noted from the trading details of Alpesh group entities that Alpesh Furiya had carried out intraday trades in the scrips of HERCULES, MANINFRA and GSCLCEMENT and BTST trade in the scrip of SALZERELEC the details of which are given below:

Table 20

Name of Client	Scrip	Date of Buy Leg	Buy Qty.	Avg. Buy Price (Rs)	Buy Trade Start Time	Buy Trade End Time	Date of Sell Leg	Sell Qty.	Avg. Sell Price (Rs)	Sell Trade Start Time	Sell Trade End Time	Profit/Loss (Rs)
Intraday Trades												
Alpa Furiya	HERCULES	19/02/2021	7000	129.44	09:40:31	09:45:16	19/02/2021	7000	133.72	10:33:25	10:33:59	29,987
Alpa Furiya	MANINFRA	31/03/2021	50900	41.51	10:18:57	10:24:10	31/03/2021	50900	42.15	10:34:36	10:36:01	32,435
Alpesh Furiya	GSCLCEMENT	09/04/2021	65000	37.50	09:24:48	10:10:09	09/04/2021	65000	38.42	10:33:55	10:35:00	59,629
BTST Trade												

Name of Client	Scrip	Date of Buy Leg	Buy Qty.	Avg. Buy Price (Rs)	Buy Trade Start Time	Buy Trade End Time	Date of Sell Leg	Sell Qty.	Avg. Sell Price (Rs)	Sell Trade Start Time	Sell Trade End Time	Profit/Loss (Rs)
Alpesh Furiya	SALZER ELEC	01/06/2021	10000	141.32	09:48:11	15:10:52	02/06/2021	10000	145.26	10:29:56	10:31:15	39,453
TOTAL												1,61,504

77. It can be noted from the above Table that Alpesh Furiya Entities had taken a position in the scrips of HERCULES, MANINFRA and GSCLCEMENT just prior to the recommendation made by Noticee 2 in the scrip. Further, Alpesh Furiya Entities purchased the shares of SALZERELEC a day before his recommendation in the said scrip on CNBC Awaaz. Later, these positions were squared off after Alpesh Furiya gave the buy recommendations on air. Alpesh Furiya Entities, thus, made a profit of Rs. 1,61,504 from the aforesaid Intraday/ BTST trades.

78. A significant impact on the trading volume and the price of the scrips was noted post recommendation of the aforesaid scrips by Alpesh Furiya on CNBC Awaaz. The details of the same are given below:

Table 21

Recommendation date (T day)	19/02/2021	31/03/2021	09/04/2021	02/06/2021
Scrip Recommended	HERCULES	MANINFRA	GSCLCEMENT	SALZERELEC
Recommendation Time	10:32:54	10:33:55	10:33:44	10:29:56
Pre Recommendation Analysis Time Period (Pre Period)	10:17:54 -10:32:54	10:18:55 -10:33:55	10:18:44 -10:33:44	10:14:56 -10:29:56
Post Recommendation Analysis Time Period (Post Period)	10:32:54 -10:47:54	10:33:55 -10:48:55	10:33:44 -10:48:44	10:29:56 -10:44:56
Avg. Price During Pre Period (In Rs.)	132.33	41.58	38.00	143.53
Avg. Price During Post Period (In Rs.)	133.34	42.17	38.51	149.31
% Change in Avg. Price	0.76	1.42	1.34	4.03
Volume traded during Pre Period	52,858	1,57,962	75,374	41138
Volume traded during Post Period	2,27,677	6,24,056	7,96,564	7,97,067
Total Traded Quantity during the day	5,33,064	13,96,751	18,69,852	22,79,637
% Vol Contribution during Pre Period to total trading volume for the day	9.92	11.31	4.03	1.80

% Vol Contribution during Post Period to total trading volume for the day	42.71	44.68	42.60	34.96
% Change in Volume	330.73	295.07	956.82	1837.54

79. Given the above, I note that there is sufficient material on record to conclude that Alpesh Furiya Entities not only carried out trades in tandem with the recommendations given by Pradeep Pandya but also carried out trades which were synchronised with recommendations made by Alpesh Furiya.
80. Now that I have looked at the charges made out in the SCN, it would be appropriate to look at the contentions raised by the Noticees before I arrive at a finding.
81. I note from the submissions made by Noticee 1 that he has tried to argue that the scrips recommended by him were mainly drawn from a list of scrips (Shares in News) that was circulated by the TV channel. Noticee also contended that since the list was shared only on the recommendation day, the allegation made by SEBI that BTST trades were undertaken based on the information shared by him was without merit. I note that this contention fails based on the information which we have seen being shared over WhatsApp messages between Noticee 1 and 2. Further, even if for the sake of argument this contention was to be considered presuming the absence of such messages obtained during the investigation, I note that SCN points out several instances where scrips which were not part of SIN was recommended by Noticee 1. The details of the same are given in the Table below:

Table 22

S.N.	Date of Recommendation	Recommendation given in "Pandya Ka Funda" (Rec. Time)	Stocks/ Segments mentioned in SINS	SINS data source
1.	15/04/2020	INDIANHUME (09:39:20) HIL (14:31:46)	TEA COMPANIES, BIOCON, DR.REDDY'S, NBCC, Hindalco, Sanofi, GSK Pharma, MUTHOOT FIN, Welspun Corp, APOLLO TYRES, TRANSWARRANTY FINANCE, Indian Hotels, VARDHMAN TEXTILES, Asahi	Emails dated 14/04/2020 sent to "Awaaz Markets" by Neeraj Bajpai at 20:14 Hrs and by Varun Dubey at

S.N.	Date of Recommendation	Recommendation given in "Pandya Ka Funda" (Rec. Time)	Stocks/ Segments mentioned in SINS	SINS data source
			Songwon Colors, Dalmia Bharat Sugar, Galaxy Surfactants, Nectar Lifesciences, NBCC, Hindalco, TV18 BROADCAST LTD, ACRYLIL, GlaxoSmithKline Consumer Healthcare, Transformer / optic fiber cable / steel / Cement companies in focus, Future Enterprises, NOCIL, JSW Energy, Ashok Leyland, JSW STEEL, Sadbhav Engineering, Omaxe Limited, SUN PHARMA, Edelweiss Group, HERO MOTOCORP, MAWANA SUGARS, IndiGo, SPICEJET, IIFL FINANCE, BIOCON	21:50 Hrs & 21:59 Hrs. Remark The stock recommended by Pradeep Pandya did not figure in the SINS.
2.	18/06/2020	JINDALSAW (14:18:35) IRCON (15:00:35)	Cummins India, Supreme Industries, Take Solutions, Muthoot Finance, HDFC Bank, IGL, Pidilite, REC, JK Cement, HEG, Lumax Auto, Aban Offshore, Muthoot Finance, Jaiprakash Power Ventures	Emails dated 18/06/2020 sent by Varun Dubey to "Awaaz Desk" and "Awaaz Markets" at 06:30 Hrs, 06:33 Hrs and 06:35 Hrs Emails dated 17/06/2020 from Neeraj Bajpai to "Awaaz Markets" at 20:44 Hrs. and 21:00 Hrs. Remark The stock recommended by Pradeep Pandya did not figure in the SINS.
3.	23/07/2020	NELCO (10:39:41) BDL (12:13:02)	AXIS BANK, HUL, Bajaj Finserv, IndiaMART InterMESH,	Emails by Varun Dubey at 15:30 Hrs

S.N.	Date of Recommendation	Recommendation given in "Pandya Ka Funda" (Rec. Time)	Stocks/ Segments mentioned in SINS	SINS data source
			CARBORUNDUM UNIVERSAL, eClerx Services Limited, PVR Limited, Shriram Transport, Dishman, JET AIRWAYS, ESCORTS, JINDALSTEL, ADANIENT, BHEL, CENTURYTEX, GLENMARK, L&TFH, M&MFIN, NATIONALUM, SUNTV, CANBK, IDEA, Indian Hotels, Bharat Forge, Wipro, BEML, GAIL, CEAT, CSB Bank, IIFL Finance, CRISIL, Hind Copper, Mahindra CIE, SML isuzu, SYNGENE, HIMADRI SPECIALITY CHEMICALS, Hatsun Agro, Polycab India, Axis Bank, HUL, Bajaj Finance , ICICI Pru, HDFC Life, L&T, Rallis India, Astec Lifesciences, Heidelberg Cement, Vodafone Idea, Pfizer, Muthoot Finance, Manappuram Fin, Federal Bank, Oil India	on 22/07/2020 and at 06:33 Hrs on 23/07/2020 and Email dated 22/07/2020 at 21:26 by Neeraj Bajpai. Remark The stock recommended by Pradeep Pandya did not figure in the SINS.

82. The arguments made by the Noticees that the recommendations made by them on air did not cause any significant impact on the price of the said scrips does not stand scrutiny as it has been shown in this Order in multiple instances that the recommendation made by the Noticees caused a discernable increase in price and volume of the recommended scrip in the period immediately following the recommendation. Further, it is the expectation of a price increase and not the actual price increase which is the determining factor in such cases.
82. The contention made by Noticee 1 suggesting that it was not just him but even others at the channel who had access to information regarding the stocks that were to be recommended by him prior to its airing can be rejected given the WhatsApp messages exchanged with Noticee 2 that have been discussed in this Order. It can also be noted that the overwhelming majority of Noticee 2's appearances on CNBC Awaaz were on shows hosted/co-hosted by Noticee 1.

Further, there is material to suggest that pursuant to the decision by Noticee 1 to quit CNBC Awaaz and move to a different channel, there were social media posts put out by Noticee 2 during this time indicating that he was also going to start appearing in this new channel as a guest analyst. Apart from the above, the frequent telephone communication between the two provides sufficient grounds to conclude that Noticee 1 was the source of the information being passed on to Noticee 2.

Quantum of synchronization of trades carried out by Alpesh Furiya with the stock recommendations given by Pradeep Pandya and himself

83. I note from records that the SEBI investigation obtained videos of the shows and segments hosted/co-hosted by Pradeep Pandya and guest appearances made by Alpesh Furiya. From these videos, a list of stock recommended by these two Noticees during the Investigation Period was drawn up. Thereafter, I note, this list of recommended shares was matched with trades executed in the cash and stock options segment of NSE by Alpesh Furiya Entities to identify trades placed by these entities which were 'based' on the recommendations made by the said Noticees.
84. It is noted that Noticee 2 has contended that once a recommendation was made by Noticee 1, it would take at least one minute for the investors to act on his recommendations. It was therefore urged on behalf of the Noticee that all trades which were completed within one minute of the recommendation should be excluded. In this regard, I note that all the sell trades executed by Alpesh Furiya Entities were limit orders. Further, the limits set typically were in the range of 2 to 3% over the buy price. Given the same, such trades getting executed within one minute of the recommendation, in my considered opinion, would make no difference. It was the Noticee's intention to place trades in synchronization with the recommendations made by Noticee 1. Whether the limit order was executed prior to trades placed in response to the recommendation made by Noticee 1 made no difference to Noticee 2.
85. This situation, I think, can be better explained through an analogy of a card game. Imagine a card player who is participating in a poker game being hosted at a casino where his friend is the dealer. The player passes on a marked deck

of cards to his friend, who is the dealer, for use during the game he is playing. Once the game starts the player finds that he has been dealt a Royal Flush and finds no use for the markings on the cards. In such a scenario, even though the player did not have to resort to markings on the cards, he went into the game fully intending to use them.

86. Similarly, in the present case, it is possible that in certain cases, as Alpesh Furiya Entities were placing limit orders within a short range, it is possible that the sell order would have got triggered prior to the trading witnessed in the scrip in response to the recommendations made on CNBC Awaaz. In this regard, it is noted that Noticees have already been given benefit and intraday and BTST trades of Alpesh Group Entities which were completed before the recommendations were aired were excluded (even if the sell legs of the trades happened on the same day the scrip was recommended by Pradeep Pandya). Similarly, intraday trades where the buying commenced after the recommendations were aired were also not considered.
87. The evidence in the form of WhatsApp chats, call records, and repeated pattern of trading, leaves no doubt that Noticee 2 was placing trades with a view to take advantage during the bump-up in prices caused due to the recommendations made by Noticee 1. Further, once the recommendations had been aired, it would be nigh impossible to delineate trades which were made pursuant to the recommendation and ones which were not. Given the same, once there is an overlap between the sell trades and buy recommendation broadcast on the channel, I am of the view that there is no reason for excluding such trades while calculating the quantum of synchronized trades.
88. Given the facts and considering the conduct of the parties and approach adopted by them, I find no merit in the above argument made on behalf of the Noticee and therefore, find no deficiency in the approach adopted by SEBI.
89. The details of trades executed by Alpesh Furiya Entities, during the Investigation Period, arrived at based on the methodology detailed above are given in the Table below

Table 23

Type of trades	Alpesh Group Entities		
	No of trades	Gross Traded Value (GTV) (in Rs. Cr.)	Profits (in Rs. Cr.)
All Trades			
BTST Trading activity (Cash Segment)	614	317.13	6.94
Intraday Trading activity (Cash Segment)	1,574	715.22	6.41
Intraday Trading activity (Options Segment)	423	40.69	1.60
Total	2,611	1073.04	14.95
Breakup of trades undertaken in synchronization with the recommendations given by Pradeep Pandya and Alpesh Furiya on shows hosted/ co-hosted by Pradeep Pandya			
BTST Trading activity (Cash Segment)	No.	281	194.88
	%	45.77%	61.45%
Intraday Trading activity (Cash Segment)	No.	622	412.95
	%	39.52%	57.74%
Intraday Trading activity (Options Segment)	No.	260	30.28
	%	61.47%	74.42%
Total	No.	1,163	638.11
(%)	%	44.54%	59.47%
% figures are the comparison of trading activity in sync vis-à-vis all trades mentioned above.			

GTV - Gross Traded Value; BTST - Buy Today Sell Tomorrow

90. It is seen from the above table that 71.77% of total profit generated by Alpesh Group Entities were from their trades synchronized with the stock recommendations given by Pradeep Pandya and Alpesh Furiya. Further, the entities generated a disproportionately high percentage of the profit (71.77%) from only 44.54% (in terms of number) and 59.47% GTV of their trades synchronized with the recommendations. Further, 93.90% of the 1,163 trades executed by Alpesh Group Entities, which were synchronized with the recommendations, generated profits.
91. It is noted that there was a very high degree of correlation between recommendations given by Pradeep Pandya on his shows and the trades carried out by Alpesh Group Entities in synchronization with such recommendations. Such a high degree of correlation cannot be mere

coincidence. Further, both of them were sharing information regarding forthcoming stock recommendations through WhatsApp chats in advance and Alpesh Furiya was carrying out fraudulent trades in the account of Alpesh Group Entities based on such advance information.

Synchronization of trades carried out by Opu Funikant Nag with the stock recommendations given by Pradeep Pandya and Alpesh Furiya

92. Opu Funikant Nag was an employee of Alpesh Furiya. During the course of the investigation, it was noted that a significant number of his trades were also in synchronization with the recommendations given by Pradeep Pandya or Alpesh Furiya on CNBC Awaaz. It is noted that Noticee 9 has neither submitted any written submissions nor availed the opportunity of personal hearing. The charges against him will, therefore, be tested on the basis of the material available on record which includes his statement recorded before SEBI.
93. Opu Funikant Nag, I note, has stated that he used to place trades in his accounts based on tips given by Alpesh Furiya. It was also stated that when he asked Alpesh Furiya for a salary hike, he was instead promised trading calls. Noticee 9, it is noted, also deposed that since Alpesh Furiya appeared on TV to give trading calls, he relied on tips passed on by him (Alpesh Furiya). Noticee 9, when asked about the correlation of his trades with the recommendations made by Pradeep Pandya, stated that he had no information that the tips given by Noticee 2 were based on material non-public information.
94. With regard to the trading activities of Opu Funikant Nag, Alpesh Furiya noted in his statement *“I have given him trading calls and advised him to trade. He is poor and does not have much trading related knowledge. He was working on salary of around Rs. 15,000 per month. Instead of increasing his salary, I gave him trading calls. He himself has placed trade orders as advised by me. He has used his own funds to trade.”*
95. It can, therefore, be noted that both Opu Funikant Nag and Alpesh Furiya have admitted that the former carried out trades in his account on the advice of Alpesh Furiya. A significant number of trades carried out by Noticee 9 were noted to be correlated with the recommendations made by Pradeep Pandya or Alpesh Furiya, the details of which are given in the Table below

Table 24

Type of trades	Mr. Opu Funikant Nag			
	No of trades	Gross Traded Value (GTV) (in Rs. Cr.)	Profits (in Rs.)	
All Trades on NSE				
BTST Trading activity (Cash Segment)	83	2.37	4,39,320.09	
Intraday Trading activity (Cash Segment)	82	4.01	3,07,347.13	
Intraday Trading activity (Options Segment)	147	1.70	3,29,250.25	
Total	312	8.08	10,75,917.47	
Breakup of trades undertaken in synchronization with the recommendations given by Pradeep Pandya and Alpesh Furiya on shows hosted/ co-hosted by Pradeep Pandya				
BTST Trading activity (Cash Segment)	No.	46	1.48	5,56,033.50
	%	55.42%	62.43%	126.57%
Intraday Trading activity (Cash Segment)	No.	40	2.63	2,96,511.34
	%	48.78%	64.98%	96.47%
Intraday Trading activity (Options Segment)	No.	60	0.84	1,67,712.80
	%	40.82%	49.41%	50.94%
Total	No.	144	4.95	10,20,257.64
(%)	%	46.79%	61.04%	94.83%
% figures are the comparison of trading activity that was in sync with recommendations vis-à-vis all trades mentioned above				

(Source- NSE)

96. It is seen from the above table that, 94.83% of profits generated by Opu Funikant Nag were from trades synchronized with the stock recommendations given by either Pradeep Pandya or Alpesh Furiya. Further, out of a total of 146 trades synchronized with the recommendations, profits were generated by Opu Funikant Nag in 89.73% of such trades.
97. Given the above, I have no hesitation in holding that the correlated trades were based on material non-public information that was shared by Alpesh Furiya. Therefore, the profits generated from such trades need to be disgorged. However, the evidence on record is not sufficient to show that Noticee 9 was aware that the tips being shared by Noticee 2 were based on material non-public information regarding upcoming recommendations to made by either

Noticee 1 or 2. It is conceivable that he was under the impression that Alpesh Furiya being an analyst who appears on TV would be in a position to give tips which would result in assured profits. It is also noted that Noticee 9 was working as a clerk earning a monthly salary of Rs. 15,000. It is also the statement of Noticee 2 that Noticee 9 did not have any understanding of the securities market and these tips were given in lieu of granting Noticee 9 a salary hike. Given the same, I am inclined to grant the benefit of the doubt to Noticee 9 and not impose any monetary penalty on him.

Analysis of bank account statements of Alpesh Group Entities and Pradeep Pandya

98. Alpesh Group Entities had withdrawn a significant amount of cash from bank accounts through cheques consistently every month during the investigation period. It is noted from the records that Alpesh Furiya Entities have cumulatively withdrawn Rs. 52 Lakh in cash during the period May 2020 to September 2021. When Alpesh Furiya was questioned regarding these withdrawals during his statement recording before SEBI, he stated that the cash withdrawals were made “... for my family, office expenses, weekend parties, family tour and visits to casinos in Goa.”
99. I note that there is no evidence to show that these cash withdrawals were made to compensate Noticee 1 for sharing material information. The attempt, it appears, made in the SCN is to show that since Alpesh Furiya Entities were consistently withdrawing significant amounts in cash, it is probable that such withdrawals were made to pass on money to Pradeep Pandya.
100. While I note that Noticee 2 has not been able to furnish any cogent reasons for these cash withdrawals, that by itself, I note, would not be sufficient to hold that these withdrawals were meant for Noticee 1. The material on record is not sufficient to arrive at that conclusion. Be that as it may, I note that there is no requirement under the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (“**PFUTP Regulations**”) to show that the tpee had passed on information against valuable consideration. Given the same, the absence of a finding that money had flown back to Noticee 1, in my opinion, has no material bearing on the findings recorded in this Order against Noticee

1. This will, however, be taken into consideration when the disgorgement amount is being considered.

Total unlawful profits made by the entities through fraudulent trades

101. The unlawful gains made by Alpesh Group Entities by carrying out fraudulent trades in synchronization with the stock recommendations given by either Pradeep Pandya or Alpesh Furiya on CNBC Awaaz are given in the Table below:

Table 25

Entity trading in synchronization with recommendations given on shows hosted/ co-hosted by Pradeep Pandya on CNBC Awaaz	Entity in possession of information of recommendations given on shows hosted/ co-hosted by Pradeep Pandya on CNBC Awaaz	Total Unlawful gains (Rs.)	Amount already impounded (Rs.)	Additional Amount to be Disgorged (Rs.)	Person responsible for disgorgement of profit jointly and severally
Alpesh Furiya	Pradeep Pandya and Alpesh Furiya	6,54,57,740.41	8,39,64,340.71	2,33,86,614.82	Alpesh Furiya, Alpesh VasANJI Furiya (HUF), Alpa Furiya, Manish Furiya, Manish VasANJI Furiya (HUF), Mahan Investment, Toshee Trade
Alpesh VasANJI Furiya (HUF)		1,13,07,967.36			
Alpa Furiya		1,44,29,287.72			
Manish Furiya		67,41,808.04			
Manish VasANJI Furiya (HUF)		43,48,192.55			
Mahan Investment		2,77,152.55			
Toshee Trade		47,88,806.90			
TOTAL		10,73,50,955.53			

102. Unlawful profits made by Opu Funikant Nag by carrying out fraudulent trades in synchronization with the stock recommendations given by Pradeep Pandya or Alpesh Furiya on CNBC Awaaz is given in the Table below:

Table 26

Entity trading in synchronization with recommendations given on shows hosted/ co-hosted by Pradeep Pandya on CNBC Awaaz	Entity in possession of information of recommendations given on shows hosted/ co-hosted by Pradeep Pandya on CNBC Awaaz	Total Unlawful gains (Rs.)	Amount already impounded (Rs.)	Amount to be Disgorged (Rs.)	Person responsible for disgorgement of profit jointly and severally
Opu Funikant Nag	Pradeep Pandya, Alpesh Furiya and Opu Funikant Nag	10,20,257.64	Nil	10,20,257.64	Opu Funikant Nag

Conclusion

103. It can be noted from the above that Pradeep Pandya, while serving as an anchor for CNBC Awaaz, shared confidential information regarding upcoming stock recommendations with Alpesh Furiya and vice-versa. Furiya, capitalizing on this privileged information, executed trades through his own accounts and those of related entities, positioning himself to profit before the recommendations were publicly aired.
104. The conduct of Noticee 2 in passing on these tips to Noticee 9 in lieu of increasing his salary further underscores the confidence he had in these tips. This behaviour not only demonstrates a clear intent to leverage insider information but also reveals a systematic approach to exploiting the information asymmetry for personal gain.
105. In this respect, it would be appropriate to refer to the observations made in this regard by the Hon'ble Supreme Court in the matter of SEBI v. Kanaiyalal Baldev Patel¹. The Hon'ble Court while dealing with a matter concerning non-intermediary front running had emphasised the importance of "equal access to information" in the securities market and noted as under:
- "Fairness in financial markets is often expressed in terms of level playing field. ... Possession of different information, which is a pervasive feature of markets, may not always be objectionable. Indeed, investors who invest resources in acquiring superior information are entitled to exploit this advantage, thereby making markets more efficient. The unequal possession of information is fraudulent only when the information has been acquired in bad faith and thereby inducing an inequitable result for others."*
106. SEBI has addressed the exploitation of information advantages under both SEBI (Prohibition of Insider Trading) Regulations, 2015 and the PFUTP Regulations. The former primarily deals with information asymmetries emanating from the company, whereas the PFUTP Regulations, in the context of information asymmetries, covers cases relating to trading while in possession

¹ Civil Appeal No. 2595 of 2013

of non-public information about impending price moving transactions in the securities, like in the case of front running.

107. In this regard, I note that in many aspects the present case is similar to a classical front running case where a trader tries to take advantage of the expected price change resulting from an impending transaction in securities. In the present case instead of a single impending trade, Alpesh Furiya was trying to take advantage of multiple impending trades which were reasonably expected to be placed once the recommendation made by a star anchor, Pradeep Pandya, was aired on CNBC Awaaz, an influential business news channel.
108. It also worthwhile to note that in the **Kanaiyalal** case (supra), the Hon'ble SC referred to the decision of the United States Supreme Court ("USSC") in the matter of **David Carpenter v. United States**, the facts of which are similar to the one at hand. In the said case, the court was dealing with a case where a trader was taking positions in securities based on the information shared by a columnist for the Wall Street Journal. The USSC in this case, by a split 4-4 decision and subsequently in the case of United States v. O'Hagan² applied the misappropriation theory holding that "*a person commits fraud in connection with a securities transaction ... when he misappropriates confidential information for securities trading purposes, in breach of a duty owed to the source of the information.*"
109. The Hon'ble Supreme Court in the Kanaiyalal Case (supra), had adopted a similar approach while noting:
- "The law of confidentiality has a bearing on this case instant...The information of possible trades that the company is going to undertake is the confidential information of the company concerned, which it has absolute liberty to deal with. Therefore, a person conveying confidential information to another person (tippee) breaches his duty prescribed by law and if the recipient of such information knows of the breach and trades, and there is an inducement to bring about an inequitable result, then the recipient tippee may be said to have committed the fraud."*

² 521 U.S. 642 (1997)

110. The Hon'ble Supreme Court in the said case went on to hold that activities like non-intermediary front running, where the tippee trades in securities based on non-public information misappropriated from the employer of the tipper can be said to be a fraudulent or unfair trade practise covered under Regulation 3 or 4(1) of the PFUTP Regulations. Given the same, I have no hesitation in holding that the conduct of Noticee 2 in placing trades based on upcoming recommendation to made on CNBC Awaaz, which was essentially information '*misappropriated*' from the channel, is a *fraud* under Regulation 3 and *unfair trade practise* under Regulation 4(1) of the PFUTP Regulations. Noticee 1 will also get covered under the same provisions by virtue of his conduct and association with Noticee 2 as the tipper.
111. Noticee 3 to 8 shall also be liable for imposition of monetary penalty for lending their accounts to Noticee 2, which facilitated him to carry out the aforesaid trades. Noticee 9, as stated in the preceding part of this Order shall only be liable to disgorge the ill-gotten gains.
112. It is relevant to mention here that for the imposition of penalty under the provisions of the SEBI Act, guidance is provided by Section 15J of the said Act. The said provision reads:

“Factors to be taken into account while adjudging quantum of penalty. 15J. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

Explanation. —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.”

113. Additionally, reference is made to the case of *Adjudicating Officer, SEBI V. Bhavesh Pabari*, whereby the Supreme Court had held, “...if the penalty provisions are to be understood as not admitting of any exception or discretion and the penalty as prescribed in Section 15-A to Section 15-HA of the SEBI Act is to be mandatorily imposed in case of default/failure, Section 15-J of the SEBI Act would stand obliterated and eclipsed. Hence, the question referred. Sections 15-A(a) to 15-HA have to be read along with Section 15-J in a manner to avoid any inconsistency or repugnancy.”
114. In view of the above-mentioned facts, I have also considered the factors provided in Section 15 J of the SEBI Act while considering the monetary penalties to be imposed against the Noticees.
115. Without prejudice to the above, I also note that the conduct of the Noticees, without reference to the misappropriation theory, can be independently noted to be in breach of the *fairness standard* laid down in the Kanaiyalal case and, therefore, in contravention of Regulation 4(1) of the PFUTP Regulations.
116. Financial journalists, which include anchors appearing on business news channels, play a pivotal role in the financial markets by acting as trusted disseminators of market information to public. Their insights, analyses, and recommendations are often taken at face value by a broad audience of investors who rely on this information to make investment decisions. Many instances have been pointed out in this Order where a surge in price and volume that was witnessed the scrips immediately after the recommendations were aired on CNBC Awaaz.
117. When TV anchors engage in sharing material non-public information, as noted in this case, it not only breaches ethical standards but also distorts market dynamics. Such acts of selective information dissemination give unfair advantages to a few, undermining the principle of equal access to information. This erosion of trust can lead to a significant loss of confidence among investors, who may feel that the markets are rigged against them.

118. Such actions severely undermine the confidence of ordinary investors in the fairness and integrity of the securities market. The Indian securities market is fundamentally predicated on the principle of parity of information. When individuals trade in market based on material non-public information, it creates a trust deficit. What is sought to be proscribed is the inherent unfair when one party takes advantage of information which the counterparty to the trade cannot obtain by legitimate means.
119. The confidence of ordinary investors is vital for the health and stability of the securities market. Ensuring a level playing field where information is symmetrically available to all market participants fosters an environment of fairness and transparency. The misuse of privileged information not only erodes this foundational trust but also jeopardizes the integrity of the entire market system.
120. In light of these findings, it is imperative that stringent actions are taken against those who breach this trust. Upholding the principles of fairness and equal access to information is essential to maintain the credibility and efficiency of the securities market. This order, therefore, imposes the necessary sanctions to deter such misconduct and reaffirm the commitment to a fair and transparent market.

Directions

121. In view of the aforesaid findings and having regard to the facts and circumstances of the matter, I, in exercise of the powers conferred upon me under Section 19 read with Sections 11(1), 11(4), 11(4A) and 11B read with Section 15I of the SEBI Act and Rule 5 of the Adjudication Rules, 1995, hereby direct as under:
- a. Noticees 1 to 8 are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of **five (5) years** from the date of this Order.

- b. Noticees 2 to 9 shall also be liable to disgorge the amounts as provided in Table 25 and 26 along with simple interest at the rate of 12% per annum, calculated from the end of the investigation period till the date of the Interim Order
- c. The amount mentioned in sub-paragraph (b) shall be remitted by the aforementioned Noticees to the Investor Protection and Education Fund (IPEF) referred to in Section 11(5) of the SEBI Act, within 45 (forty-five) days from the date of receipt of this Order. An intimation regarding the payment of said disgorgement amount directed to be paid herein, shall be sent to “The Division Chief, IVD, ID 11, SEBI Bhavan II, Plot no. C - 7, ‘G’ Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051”.
- d. Any amounts already disgorged and lien marked in favour of SEBI shall be utilised for the purpose of complying with the directions made in para b.
- e. Noticees shall be liable to pay a monetary penalty under Sections 15HA of the SEBI Act, as indicated in the Table below:

NOTICEE	NAME	PENALTY
1.	PRADEEP BAIJNATH PANDYA	Rs. 1,00,00,000
2.	ALPESH VASANJI FURIYA	Rs. 1,00,00,000
3.	ALPESH VASANJI FURIYA (HUF)	Rs. 10,00,000
4.	ALPA ALPESH FURIYA	Rs. 10,00,000
5.	MANISH VASANJI FURIYA	Rs. 10,00,000
6.	MANISH VASANJI FURIYA (HUF)	Rs. 10,00,000
7.	MAHAN INVESTMENT	Rs. 10,00,000
8.	TOSHEE TRADE	Rs. 10,00,000

- f. Noticees shall pay the monetary penalty imposed on them [amount mentioned in paragraph 14(e)] within a period of forty-five (45) days from the date of receipt of this Order. In case of their failure to do so,

simple interest at the rate of 12% per annum shall be applicable from the expiry of the said 45 days till the date of actual payment.

- g. Noticees shall pay the monetary penalty by online payment by following path on the SEBI website: www.sebi.gov.in/ENFORCEMENT → Orders → Orders of Chairman / Members → Click on PAY NOW. In case of any difficulties in payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in.
- h. The Noticees shall forward details of the online payment made in compliance with the directions contained in this Order to “The Division Chief, IVD, ID- 11, SEBI, SEBI Bhavan II, Plot no. C - 7, ‘G’ Block, Bandra Kurla Complex, Bandra (E), Mumbai–400 051” and also to e-mail id: tad@sebi.gov.in in the format given below:

1. CASE NAME:	
2. NAME OF THE PAYEE:	
3. DATE OF PAYMENT:	
4. AMOUNT PAID:	
5. TRANSACTION NO:	
6. BANK DETAILS IN WHICH PAYMENT IS MADE:	
7. PAYMENT IS MADE FOR:	PENALTY

122. This Order comes into force with immediate effect.

123. This Order shall be served on all the Noticees, Recognized Stock Exchanges, Depositories and Registrar and Share Transfer Agents and Central Bank of India to ensure necessary compliance.

Date: June 11, 2024

Place: Mumbai

ASHWANI BHATIA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA