



QJA/MN/MIRSD/MIRSD-SEC-1/32790/2026-27

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

UNDER SECTIONS 11(1), 11(4), 11(4A), 11B AND 11D OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 IN THE MATTER OF AVADHUT SATHE TRADING ACADEMY PRIVATE LIMITED

In respect of:

S. No.	Noticee	PAN
1	Avadhut Sathe Trading Academy Private Limited	AATCA1675K
2	Avadhut Dinkar Sathe	BCSPS7915K
3	Gouri Avadhut Sathe	BIUPS6942Q

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



A. BACKGROUND

1. The present proceedings emanate from an *Interim Order cum Show Cause Notice* dated December 04, 2025 (**'Interim Order'**) passed by the Securities and Exchange Board of India (**'SEBI'**) against Avadhut Sathe Trading Academy Private Limited (**'ASTA'** or **'ASTAPL'** or **'Noticee No.1'**), Avadhut Dinkar Sathe (**'AS'** or **'Noticee No.2'** or **'trainer/instructor'**) and Gouri Avadhut Sathe (**'GS'** or **'Noticee No.3'**), as the unregistered investment advisory/ research analyst activities of the Noticees were *prima facie* found to be in violation of the Section 12(1) of the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) read with Regulation 3(1) of the SEBI (Investment Advisers) Regulations, 2013 (**'IA Regulations'**) and Regulation 3(1) of the SEBI (Research Analyst) Regulations, 2014 (**'RA Regulations'**). Further, the activities of the Noticees were also *prima facie* found to be fraudulent and manipulative and in violation of provisions of Section 12A (a), (b) and (c) of the SEBI Act read with Regulation 3(a) to 3(d) as well as Regulation 4(1) and 4(2)(k), (o) and (s) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (**'PFUTP Regulations'**).

2. The background and findings in the Interim Order are summarized as follows:

Background

- 2.1. An examination conducted by SEBI regarding activities of ASTAPL and AS during FY 2023-24 revealed that ASTAPL/AS was publishing selective profitable trades of course participants/ investors and claiming that his course participants/investors consistently earn through trading and that the trainers at ASTAPL/AS are experts in the stock market. However, the analysis by SEBI showed that all such trainers and course participants/investors were in net losses and accordingly an Administrative Warning dated March 01, 2024 was issued to ASTAPL/AS, cautioning them against misrepresentation and selective disclosures.
- 2.2. Despite issuance of warning, ASTAPL/AS continued to publish misleading videos. SEBI received a few complaints against ASTAPL/AS from complainants who had subscribed to various programs offered by ASTAPL/AS alleging that despite the



extraordinary returns promised in the programs, many course participants/investors incurred substantial losses.

- 2.3. Preliminary examination in the matter indicated that ASTAPL/AS was engaged in providing unregistered investment advisory and research analyst services under the guise of stock market education while using live market trading data during sessions. It was further observed that the ASTAPL/AS had collected substantial amounts of fees from unsuspecting investors. In addition, ASTAPL/AS was found to be disseminating misleading information and advertisements through social media platforms, aimed at inducing investors by portraying unrealistic returns from stock market activities.
- 2.4. Subsequently, SEBI appointed an Investigating Authority on July 24, 2025 under Section 11C of the SEBI Act to carry out detailed investigation in the matter for the period of July 01, 2017 to October 09, 2025 (**‘Investigation Period’**) involving the Noticees.
- 2.5. A Miscellaneous Application No. 1139 of 2025 dated August 18, 2025 was filed before the Ld. Special Court and vide order dated August 18, 2025, the Ld. Special Court authorized the Investigating Authority to conduct search and seizure at premises of the Noticees.
- 2.6. Pursuant to completion of Search and Seizure operations on August 20-21, 2025, SEBI received further complaints, which, *inter alia*, alleged that ASTAPL/AS selectively showcased only profitable trades, thereby misleading course participants/investors regarding actual trading performance. It was alleged that ASTAPL/AS conducted integrated live market trading sessions within its educational programs, during which direct trade recommendations were given to course participants/investors wherein AS also shared his own live trading positions. It was also alleged that the quality of teaching was not as effective as represented or marketed and staff members of ASTAPL/AS solicited individuals to take loans in order to pay the course fees.

Findings

- 2.7. AS imparted advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products in lieu of consideration. The evidences included (i) video recordings and WhatsApp chats containing specific securities recommendations given to participants; (ii) suggestion of entry and exit targets; (iii)



suggestion of stop loss; (iv) forecasting the directional movement of specific stocks; (v) sharing trades executed/positions taken by AS to induce investors; (vi) sharing live trading positions during the programs; and (vii) suggesting strategies as well as specific call to execute trades during live market hours. These activities clearly fall within definitions of Investment Advisor ('IA') and Research Analysts ('RA'); however, neither ASTAPL nor its directors viz. AS and GS have registered themselves with SEBI under the IA Regulations or RA Regulations. Such acts, on the part of the Noticees were *prima facie* found to be of the nature of unregistered investment advisor/research analyst. Therefore, the acts of Noticees were in violation of the provisions of Section 12(1) of the SEBI Act read with regulation 3 of IA Regulations and regulation 3 of the RA Regulations.

2.8. Apart from carrying out unregistered IA/RA activities, ASTAPL and AS also disseminated false and misleading information through social media in a reckless or careless manner to influence the decision of investors dealing in securities. As seen from the analysis of the testimonials of course participants which were circulated by ASTAPL and AS through its social media channels, it was falsely advertised that participants were able to generate supernormal profits. SEBI investigation found that the participants had actually suffered net losses and such testimonial videos have been recklessly circulated on social media with the objective of inducing unsuspecting and gullible investors to enrol for ASTAPL/AS's programs/advisory/analyst services, despite SEBI warning ASTAPL/AS to refrain from such practices. Thus, such acts of Noticees were observed to be, *prima facie*, in violation of Regulation 4(2)(k) of the PFUTP Regulations.

2.9. By projecting unrealistically high returns in such videos to gullible investors, with the intent to fraudulently inducing them to enrol in their programs, Noticees have enhanced their income. It was found that ASTAPL/AS had collected ₹ 6,01,37,96,917/- from the course participants for various programs between July 25, 2015 and October 09, 2025. Since ASTAPL/AS have engaged in fraudulent inducement of investors with the objective of increasing their own income, the activities of Noticees were found to be, *prima facie*, in violation of Regulation 4(2)(o) of the PFUTP Regulations.



2.10. Furthermore, ASTAPL/AS were observed to be mis-selling investment advisory/research analyst services to unsuspecting clients by portraying false returns, concealing the fact that it did not have the required registration from SEBI, and failing to take reasonable care to ensure the suitability of the securities or services to the buyers. Thus, such acts of the Noticees were found to be, *prima facie*, in violation of Regulation 4(2)(s) of the PFUTP Regulations.

2.11. In view of the above, the aforesaid acts of the Noticees, *prima facie* established violation of clauses (a), (b) and (c) of section 12A of the SEBI Act read with provisions of Regulation 3 (a) to (d) as well as Regulation 4(1) and 4(2) (k), (o) and (s) of the PFUTP Regulations.

2.12. Further, AS and GS have been directors of ASTAPL since its incorporation and AS also happens to be the spouse of the GS. It was also seen that after incorporation of ASTAPL, both AS and GS have continued to be on the helms of its affairs throughout the investigation period. Most of the online sessions of ASTAPL were carried out by the AS. Further, from perusal of the bank statements, it was observed that GS received recurring payments from ASTAPL. This, in conjunction with the fact that GS is a director of ASTAPL, indicated that GS was actively involved in the day-to-day operations of ASTAPL and responsible for the activities carried out by ASTAPL. All the violations of ASTAPL, which have been elaborated above have taken place when AS and GS were responsible for the conduct of the business of the ASTAPL. Therefore, for the violations which were observed to have been committed *prima facie* by ASTAPL, both AS and GS were held responsible in terms of Section 27 of the SEBI Act.

B. REPLIES OF THE NOTICEES AND PERSONAL HEARING

3. The Interim Order was served on the Noticees vide email dated December 04, 2025 as well as SPAD and a timeline of 21 days was given to file their replies/objections. Further, the Authorized Representatives ('AR') of the Noticees availed inspection of documents on January 05, 2026.



4. The Noticees were provided an opportunity of hearing on March 17, 2026. Noticee No.2, along with one of the trainers at ASTA and ARs, appeared on behalf of all the Noticees. During the course of the hearing, the Noticee No.2, along with the AR, presented their case and demonstrated few videos, WhatsApp chats and calculation of profits/loss in respect of the impugned allegations in the Interim Order dated December 04, 2025. Thereafter, hearing opportunity was availed on April 06, 2026 and April 24, 2026 wherein the Noticees, *inter alia*, presented their response including synopsis of ASTAPL and its activities, issue of classification of educational activities vis-à-vis advisory activities, ISO 9000 certification for educational purposes, demonstration of live trading sessions with video evidence, disclaimers given before the training sessions, affidavits by the students, videos of testimonials by one of the complainants, analysis of complaints against ASTAPL, demonstrated centralized Gurukul Learning System to show homework, assignment submissions and evaluation by monitor, etc. They also presented their submissions with respect to loan solicitation for fee payment, soliciting and promises of extraordinary profits, factual errors w.r.t. profit and loss calculations of ASTAPL and AS. Based on their submissions, the Noticees requested revocation of the directions issued in the Interim Order. The Noticees filed reply on March 26, 2026 and April 27, 2026.
5. Thereafter, certain information was sought from the Noticees in respect of number of participants and subscription fees vide email dated June 12, 2026 which was provided by the Noticees on June 29, 2026. Subsequently, vide emails dated September 02 & 04, 2026 additional information in respect of net profit and course participant/fee data was sought, respectively. The Noticees availed hearing opportunity on October 13, 2026 to present their submissions in respect of the information sought vide emails dated September 02&04, 2026. The Noticees also submitted unaudited net profit figures and course participant/fee data during the course of the hearing. The same has been taken into consideration.
6. Summary of the response, on preliminary objections, is given below:
 - 6.1. **Ex-parte action and denial of prior hearing:** The Noticees submit that combining an ex-parte interim order with a show cause notice, restraining business and impounding approximately ₹ 546 crore before determining whether ASTA provides education or regulated advice, creates a procedural contradiction and imposes punitive consequences without a hearing. Relying on *N. Narayanan v. Adjudicating Officer*,



SEBI (2013) and *Pramod Shroff v. Mohan Singh Chopra* (2026 INSC 378), they contend that SEBI must exercise its powers fairly and provide adequate, precise notice where civil consequences follow. They distinguish complete denial of a hearing from inadequate opportunity, submitting that the former renders the directions void ab initio, whereas the latter requires proof of prejudice.

6.2. Absence of urgency or jurisdictional basis: The Noticees contend that Section 11(4) requires an objective, substantiated basis for extraordinary ex-parte measures, such as an imminent threat to investors or the market, irreparable harm or asset dissipation. The investigation commenced in July 2025, included a search in August 2025 and has concluded, while the fees concerned were collected over a decade. Given 17 years of operations, no allegation of fresh post-investigation misconduct and no specific finding of ongoing dissipation or siphoning of assets, they submit that the generic reference to protecting “unsuspecting investors” does not satisfy the objective criteria required by SAT or justify bypassing a prior hearing.

6.3. Retrospective application and absence of notice: The Noticees submit that they received no notice of the specific test distinguishing education from advice. Applying the January 29, 2025 Circular to earlier conduct retrospectively imposes a newly clarified standard, contrary to fairness and their legitimate expectation that their activities would be assessed under the regulatory understanding prevailing at the relevant time.

6.4. Access to original evidence: The Noticees acknowledge receipt of the investigation report but contend that effective disclosure requires meaningful access to, and inspection of, the original evidence relied upon, including electronic source material and relevant documents, rather than paper copies or selective extracts. They sought complete session recordings and surrounding WhatsApp conversations to examine context, tone and disclaimers and distinguish educational illustrations or responses to technical queries from trading recommendations. They also sought the underlying



student trading datasets, including the periods and trades considered, to verify whether the P&L figures reflect overall trading activity or selective data.

6.5. Educational character and bona fide conduct: The Noticees maintain that ASTA participants are students attending structured educational programmes and that ₹6,01,37,96,917 collected over several years represents course fees, not advisory or research income. Disclaimers repeatedly clarify that students trade independently, at their own risk and discretion, through personal brokerage accounts; teaching materials, charts and live demonstrations are pedagogical illustrations, not actionable recommendations. They rely on preservation of detailed operational and student records for over eight years to rebut unlawful activity or concealment, and on thousands of returning students in the 3G32 programmes, commenced in February 2026, to support their educational and skill-enhancement value. They further submit that ASTA acted transparently and in the bona fide belief that it provided education, and has ceased certain activities, including live market training, to comply with interim directions pending SEBI's clarification.

6.6. Proportionality and impounding/disgorgement: The Noticees contend that the combined directions to cease business, prohibit securities dealings, impound approximately ₹ 546 crore, proposed disgorgement of approximately ₹ 600 crore, together with interest, as disproportionate to the alleged violations or conceivable harm, even assuming a violation, which they deny. Freezing of bank accounts, demat accounts and assets effectively shut down a going concern with over 63,000 students and 1,000 volunteers before adjudication on merits. They characterise impounding historical gross revenue as final relief disguised as an interim measure, arguing that Section 11(4)(d) permits impounding specific transaction proceeds linked to an alleged violation, rather than wholesale seizure of revenue collected over several years. They submit that less restrictive, equally effective measures such as maintaining status quo on asset alienation or appointing an independent auditor to review educational content were available, making the directions disproportionate, punitive and legally unsustainable. They invoke the principle that administrative action must not be more



drastic than necessary. Relying on *Sahara India Real Estate Corporation Ltd. v. SEBI* and *Sumeet Industries Ltd. v. SEBI* (2019), they submit that disgorgement is an equitable, remedial and restitutionary measure confined to actual unlawful gains, rather than punishment or a substitute for statutory penalties. They contend that SEBI must establish identifiable wrongful gains, a direct nexus with the violation and their precise quantum through reliable evidence and a reasonable calculation. In the absence of such proof, they submit that disgorgement cannot be sustained.

6.7. Number and significance of complaints: The Noticees dispute the description of a “large number of complaints,” stating that SEBI received only 15 complaints, three emails and 12 completed forms, from approximately 63,000 students, representing about 0.02%. Two students subsequently submitted affidavits stating that they had not intended to complain against the Noticees. They also refer to student satisfaction surveys reportedly recording dissatisfaction of 10–30% even at leading universities, and contend that the order’s characterisation exaggerates the complaints’ number and evidentiary significance.

6.8. Liability of AS and GS: The Noticees acknowledge AS’s responsibility as founder and primary trainer but deny that his educational content violated securities laws. They submit that he exercised due diligence through disclaimers, instructions against copying trades, emphasis on educational purpose, reliance on professional compliance advice and cooperation with SEBI. Even if the order’s interpretation were accepted, they contend that he acted in good faith, particularly in the absence of clear prior guidance distinguishing education from advice. GS’s role was limited to administration and compliance, without creating or delivering content, and she relied on professional advice and the judgment of AS, her spouse. The overlap of 179 ASTA students with clients mapped to her as an Authorized Person is attributed to legitimate cross-referrals between educational and broking services. Despite the finding in paragraph 82 that she provided no investment advisory or research analyst services, the Noticees contend that she was proceeded against solely because of her directorship, salary or remuneration and client mapping. They submit that Section 27 requires a person to have been in charge of and responsible for the company’s business and does



not automatically impose liability on an administrative director. Given her limited role, claimed due diligence and absence of specific evidence of knowledge, participation or operational involvement in the alleged violations, they contend that her inclusion and joint and several liability for the entire impounded amount constitute a jurisdictional error and are legally unsustainable.

6.9. Educational nature and registration requirements: The Noticees submit that ASTA provides structured education in financial markets, trading psychology and technical analysis, and does not provide investment advisory, research analyst, portfolio management or other regulated intermediary services. Its fixed, uniform course fees are unrelated to trading outcomes, assets under advice, security-specific analysis or continuing advisory relationships. Sessions are delivered uniformly to groups of enrolled students and, according to the Noticees, fall within the “widely available to the public” exclusion. They further contend that the exclusion of trading calls under the IA Regulations recognises their distinction from investment advice involving longer-term suitability and portfolio allocation. Therefore, even if live demonstrations were characterised as trading calls, which they deny, registration as an investment adviser would not follow. Since ASTA neither acts nor holds itself out as an investment adviser or research analyst, they dispute any violation of Section 12(1) of the SEBI Act read with Regulation 3(1) of the IA/RA Regulations.

6.10. Absence of an advisory relationship: ASTA does not assess students’ financial circumstances, investment objectives or risk profiles, provide personalised advice or suitability assessments under Regulations 16 and 17 of the IA Regulations, or undertake ongoing monitoring. The Noticees contend that the absence of risk assessment conclusively establishes that ASTA is not acting as an investment adviser. Students receive identical content irrespective of their circumstances, and the engagement lacks fiduciary obligations, personalised attention and client reliance on an adviser’s expertise. Post-course support through ASCs and Aikyam is student-initiated and peer-driven. Students independently execute trades through their own brokers, accounts and capital, over which ASTA exercises no access or control.



6.11. **Absence of research analyst services:** The Noticees submit that ASTA has issued no research report under Regulation 2(1)(w) and distributed no written or electronic document recommending the purchase, sale or holding of a specific security. They refer to the 2024 amendment expanding “research services” to include model-portfolio recommendations, stop-loss targets and trading calls, but maintain that ASTA has never issued a model portfolio. Classroom illustrations concern individual securities used as teaching examples and carry no instruction to replicate trades. They further contend that teaching technical analysis is expressly recognised as falling outside the definition of a research report, and that market commentary, index analysis and sectoral demand-and-supply discussions fall within the regulatory exclusions. They also rely on SEBI’s July 23, 2025 FAQs concerning technical charts limited to sectors or indices without security-specific recommendations. The SMM decision checklist, PAPA setups and Elliott Wave explanations are teaching tools; AS’s disclosure of personal positions is pedagogical rather than a disclosure under Regulation 19. ASTA maintains student enrolment records rather than client registers under Regulation 25(1), charges for curriculum delivery rather than research, and neither claims SEBI registration nor relies on NISM-XV certification. AS presents himself as a trader and educator.

6.12. **Application of the January 29, 2025 Circular:** The Noticees contend that the Circular, including its three-month restriction on price data, introduces a new obligation that cannot retrospectively govern earlier conduct without an expressly stated intention, particularly when the Impugned Order acknowledges its prospective application. Without prejudice, they claim substantial compliance - approximately 97% of instruction uses historical data, with the vast majority of examples older than three months, while live data accounts for about 3% and is used only for pedagogical demonstrations accompanied by educational disclaimers and instructions against copying or acting on the trades.

6.13. **Informed enrolment and allegations of mis-selling:** The Noticees dispute the description of participants as “unsuspecting investors.” Participants voluntarily enrolled after free or low-cost introductory “Eye Opener” sessions explaining the



programmes, accepted terms and signed MyASTA documentation identifying the services as education before paying fees, and had access to cooling-off and refund policies. They contend that participants followed course instructions without objection and that their subsequent allegations of receiving unregistered advice are unsupported afterthoughts. The order identifies no coercion. Marketing materials, website and portal disclosures, and disclaimers at the beginning of sessions describe ASTA as a training institute, not a stock-tip provider. Students are warned that approximately 90% of market participants lose money and that developing trading skills may take about 1,000 days, without shortcuts. The Noticees accordingly deny concealment, promises of returns and mis-selling, contend that suitability requirements do not apply to educational services, and invoke caveat emptor.

6.14. **Fraud and inducement:** The Noticees contend that fraud under Section 12A read with Regulations 4(2)(k), (o) and (s) of the PFUTP Regulations requires *mens rea*, knowledge or intent to deceive, and that strict liability does not apply. Regulatory non-compliance, adverse trading outcomes, negligence or inadvertence cannot, by themselves, establish fraud. They deny any manipulative or deceptive device, fraudulent scheme or course of business. Testimonials invited prospective students to introductory sessions and promoted learning; subsequent trading decisions remained independent. They argue that Regulation 4(2)(o) concerns inducement to deal in securities to enhance income from brokerage, commissions or other securities-related activities, whereas ASTA earns fixed course fees unrelated to students' transactions. They rely on 17 years of transparent operations, the absence of prior regulatory action, an ISO 9001:2015-certified educational methodology, disclosures, risk warnings and cooperation with SEBI as supporting good faith. They deny any windfall or unjust enrichment from fees charged for programmes delivered over several months.

6.15. **Testimonials and evidentiary objections:** The Noticees dispute SEBI's comparison of advertised returns with students' losses. They state that testimonials relied on student representations supported by broker-verified P&L reports, including those of Laxmi Sreenivasan and Pavithra Anjana Nayaka, and a notarised affidavit. Differences could arise from calculation methods, periods or trades included. Smruti



disclosed losses in the same video, allegedly overlooked by SEBI; Rehan Hashmuddin Shaikh's testimonial concerned fulfilling an aspiration through disciplined trading and learning, rather than overall profitability. Akash Ratnakar Warpe's testimonial was published on his emailed representation and consent before independent verification. The Noticees contend that dissemination requires knowledge of falsity or reckless or careless conduct, and deny such knowledge or conduct, having believed the students' accounts to be truthful. They submit that continued publication after SEBI's administrative warning reflected good-faith reliance on evidence supplied by students, citing *Maganlal M. Doshi v. SEBI* (SAT, 2004) and principles concerning *mens rea* in economic offences. They also seek cross-examination where witness credibility is material and an opportunity to challenge the authenticity and context of statements and videos.

6.16. **Right to cross-examination:** The Impugned Order relies heavily on statements attributed to participants and interpretations of video content. The Noticees are entitled to cross-examine witnesses and challenge the authenticity and context of evidence. The Hon'ble Supreme Court has consistently held that where a witness's prior statement directly contradicts a subsequent deposition, the prior statement goes to the root of credibility. The principle that reliable evidence is evidence consistent with itself applies with full force. The Noticees respectfully submit that the prior inconsistent statements of Mr Chhabra and Mr Dudeja materially diminish the weight that can properly be placed on their complaint narratives in these proceedings.

7. Summary of the factual objections, raised by the Noticees, is given below:

7.1. **Educational purpose and institutional character:** The Noticees submit that the Impugned Order conflates teaching with investment advice by misunderstanding ASTA's methodology followed over 17 years. ASTA aims to develop independent market professionals by teaching chart analysis, pattern identification, risk management and independent decision-making, rather than maintaining dependent advisory clients. From the introductory "Eye Opener" session, students are informed that competence requires patience and approximately 1,000 active days of learning. ASTA provides no continuing advisory monitoring or relationship management after



training. Noticee No. 2 acts as a trainer and mentor, not an investment adviser. The Noticees contend that IA/RA registration would misrepresent ASTA's educational identity.

7.2. Curriculum and limited use of live data: ASTA's pedagogy comprises conceptual teaching, contextual illustration, practice-based learning and behavioural conditioning. The Noticees state that approximately 97% of instruction in the flagship GEO programme, comprising over 230 hours, uses historical data, while live demonstrations account for approximately 3%, with actual discussion of live data points stated to be below that level. Such demonstrations follow foundational training and form part of application-focused programmes such as Aarambh, GEO+ and Mentorship. The curriculum principally uses backtesting, decision checklists, documented findings and numerous historical examples to teach concepts, strategies and system setups. Live data is therefore described as an incidental, supplementary teaching component rather than a source of security-specific recommendations.

7.3. Need to teach decision-making under uncertainty: The Noticees explain that historical charts present a "right-edge problem": subsequent price movements are visible, creating hindsight bias and limiting students' ability to analyse genuinely uncertain outcomes. A formation such as a double bottom may develop into either a bullish reversal or a continuation of a decline. Live-chart exercises require students to test formations against taught criteria, consider alternative directions and formulate corresponding risk plans through "what-if" scenarios. They contend that this develops independent technical evaluation under actual market conditions rather than supplying investment recommendations.

7.4. Educational purpose of live open-interest analysis: Under the Futures & Options Made Easy (FOME) module, students learn to analyse open interest alongside price to understand the positioning and intent of large institutional participants or option sellers. The Noticees submit that historical end-of-day OI figures do not reveal how positions developed, whether accumulation was gradual or concentrated in the final hour, or how it related to price movements. Live observation reveals the pace, sequence



and context of OI build-up and unwinding, which they consider essential to the skill being taught.

7.5. Distinction between training analysts and traders: The Noticees contend that comparisons with CMT and university-level technical-analysis courses overlook their different objectives. According to them, such courses generally train analysts to prepare reports, chart studies or opinions with time for deliberation, revision and peer review, for which historical data may suffice. ASTA trains traders to decide and execute in real time, under uncertainty, with their own capital at risk and while managing psychological responses to price movements. Its teaching therefore addresses execution and behavioural skills beyond the preparation of an analytical report.

7.6. Comparable educational practices: The Noticees submit that live data, simulations and real trading exposure are internationally recognised teaching methods, comparable to clinical interactions in medical education and moot courts in legal education. They cite Instituto de Estudios Bursátiles, SGH Warsaw School of Economics, Indian Institute of Foreign Trade, NSE Academy, BSE Institute Limited, Canadian Securities Institute, Corporate Finance Institute, National Institute of Financial Markets, National Institute of Wall Street, Financial Corridor and Nifty Trading Academy. They contend that such methods do not, by themselves, convert educators into regulated advisers; otherwise, any finance professor discussing a live security chart would require IA/RA registration.

7.7. Authorities relied upon: The Noticees rely on Association of National Exchanges Members of India v. Union of India for the public purpose and market-development role of financial education; SEBI Circular CIR/MIRSD/4/2013 dated August 13, 2013 for encouragement of investor education and its distinction from advisory services; SEC v. Capital Gains Research Bureau (1963) for the distinction between fiduciary investment advice and information or education; and IOSCO's Investor Education Initiatives Relating to Investment Services (2013) for recognition of education as a separate regulatory objective. They also invoke judicial observations distinguishing



advice based on individual clients' needs from general information disseminated to the public.

7.8. Learning support and disclosures: The Noticees describe ASTA Satsang Centres as peer-led groups for discussing charts and analysis, Aikyam as a self-discipline initiative through which students track progress and remain accountable, and the ASTA Entrance Examination as a means of ensuring learning before access to advanced programmes. They contend that these arrangements support education rather than continuing advisory services. Comprehensive disclaimers across platforms and communications explain the educational nature of the programmes and demonstrate transparency and good faith. They further submit that SEBI has recognised disclosures concerning risks and service limitations as relevant to assessing the nature of an activity.

7.9. Contextual assessment of the evidence: The Noticees contend that paragraphs 11–16 and Tables 4–16 of the Impugned Order rely on isolated screenshots and transcripts that mischaracterise the sessions. They seek assessment of the complete recordings, curriculum and structured methodology, which, according to them, would establish that the sessions impart skills and knowledge rather than recommend specific securities transactions to particular individuals. They accordingly maintain that ASTA provides financial-market education designed to develop independent, disciplined participants and does not conduct investment advisory or research analyst services.

For allegations related to using security-specific recommendations through WhatsApp chats:

7.10. Educational purpose and participant profile: The Noticees submit that the Impugned Order misconstrues WhatsApp educational support groups as advisory channels by relying on isolated screenshots and excerpts. These groups form an integral part of ASTA's educational ecosystem, reinforcing classroom learning through practical application, peer discussion and collaborative analysis. Participants are students who have undergone over 1,000 hours of structured education, rather than ordinary investors or clients receiving unsolicited advice. Access to the Mentorship



group involving AS follows completion of foundational training. According to the Noticees, the chats demonstrate students' ability to independently interpret charts, identify patterns and market structure, and apply technical indicators and Elliott Wave principles.

7.11. **Absence of consideration:** The Noticees contend that WhatsApp discussions are neither advertised course components nor deliverables listed in brochures, websites or enrolment documents, and no consideration is received for them. Discussions continue among former students long after completion of the programmes for which fees were paid. They rely on the following instances to dispute any connection with ongoing consideration, monetisation or paid advisory services:

Table 1 Time gap between enrollment and impugned messages on the WhatsApp chats

Mentor Program	Program Period	Message date cited	Time gap (post conclusion)
Batch 7	10-08-2019 to 13-06-2020	March 18, 2024	4 years
Batch VI	2018-2019	December 03, 2024	5-6 years
Batch VIII	July 24, 2020 to May 27, 2021	June 17, 2022	1 year

7.12. **Absence of causation and independent trading:** The Noticees contend that the order commits the post hoc ergo propter hoc fallacy by inferring that discussions caused subsequent trades merely because the trades followed them. They submit that this overlooks coincidence, common external factors, independent decisions and incomplete evidence, as trained students may independently recognise the same objectively observable technical setup. They further rely on the order's recording of both buy and sell orders following the same discussions as evidence of independent analysis and differing conclusions, arguing that following a common recommendation would ordinarily produce directional consistency.

7.13. **Content and instructional character:** The Noticees contend that the consistent use of probabilistic expressions such as "likely," "could be," "may," "might,"



“possible” and “let’s see,” alongside prompts to “check” and “watch,” is inconsistent with advisory services and promotes independent analytical ability rather than dependence. Most mentor messages are educational; personal-trade discussions constitute less than 8% and are described as retrospective disclosures, not forward-looking recommendations with entry or exit instructions. AS shared his trades and analysis as educational demonstrations, using expressions such as “this is what I’m looking at” and “here is a chart setup,” without issuing “buy now” or “sell now” instructions. Timestamped exchanges also show him expressly refusing to provide tips and directing students to “follow the process” and “study” independently. Guidance on identifying stop-loss and target levels is characterised as teaching complete trade planning, rather than providing personalised advice.

7.14. **Contextual assessment and regulatory characterisation:** The Noticees submit that the communications must be assessed within the complete educational cycle of theory, practical application, peer discussion and reinforcement. They characterise the exchanges as academic evaluation and instructional guidance, rather than investment advice, recommendations or inducement. They cite the SAT order described as SEBI v. Gaurav Varshney for the proposition that the context and nature of communications determine whether they constitute investment advice, and that general market commentary and educational discussions fall outside the regulated framework. They accordingly contend that treating these groups as advisory channels misreads both their content and purpose, rendering regulatory action on that basis legally unsustainable.

For allegations related to testimonials of course participants

7.15. **Authenticity, purpose and verification:** The Noticees submit that testimonials reflect genuine, voluntarily shared experiences used for educational and inspirational purposes, rather than fabricated claims. ASTA verifies accounts and obtains consent; following SEBI’s March 2024 notice, it introduced more rigorous verification through online meetings in which students logged into their trading terminals and demonstrated profits for the relevant period. Testimonials whose profit claims could not be verified were removed, while verified testimonials were retained.



7.16. **Complete context and supporting evidence:** The Noticees contend that the testimonials include losses, struggles and the importance of discipline, consistent with education rather than tips-based advisory services. They rely on notarised affidavits from Rehan and Pavithra and a detailed email from Aakash as confirming their accounts and the educational nature of their experience. They attribute discrepancies with exchange P&L data to multiple trading accounts and factual inconsistencies in the data used for computation, citing Lakshmi's and Pavithra's cases.

7.17. **Period-specific claims and limits of verification:** The Noticees submit that a testimonial concerning a profitable period cannot be equated with a comprehensive, audited P&L statement for a different, longer period selected by the investigator. Profits over three months may coexist with flat or negative results over six months. ASTA has no centralised, mandatory access to students' complete trading histories, although it provides an optional Trade Log portal for their own record-keeping. Its verification is therefore limited to the information and period that students voluntarily disclose and substantiate.

7.18. **Multiple trading accounts:** The Noticees contend that a student's claimed profits may aggregate results across several accounts, including an account held in another person's name. Accordingly, the P&L of a single account is insufficient to disprove the student's overall profit claim.

Submissions regarding trading by AS and course participants

7.19. **Methodology of the P&L analysis:** The Noticees contend that the investigation relies on selective data from a limited sample over arbitrary periods, sometimes beginning or ending mid-cycle and excluding relevant opening or closing positions. It lacks comparison with broader retail performance, untrained participants or similarly placed trades under the same market conditions, and overlooks volatility, timing,



market phase, individual execution and student autonomy. They therefore dispute the reliability of conclusions drawn from such snapshots.

7.20. **Educational outcomes and the learning curve:** The Noticees submit that ASTA provides education without promising profits or guaranteed outcomes, and expressly communicates risks, long learning timelines and the need for disciplined practice. Professional competence may require years of observation, practice and gradual capital deployment, beginning with limited exposure. Outcomes vary with students' experience, discipline, psychological aptitude and application of concepts. They contend that losses reflect market conditions and independent decisions and may be a foreseeable, even necessary, part of learning, rather than evidence of wrongdoing, educational failure or any assured return, trading direction or profit-based representation. Success should therefore be assessed through knowledge, skills, risk management, discipline and independent decision-making, rather than short-term profitability.

7.21. **AS's losses and transparency in teaching:** The Noticees state that AS repeatedly discloses his substantial losses during training, including losing approximately 70% of his capital in one day through averaging down and departing from his trading discipline—conduct expressly warned against in the curriculum. Despite over 30 years' experience, he acknowledges experiencing losses 30–40% of the time. ASTA examines both successful and failed trades, emphasising the consequences of process violations and emotional decisions. They contend that these authentic examples provide learning beyond theory and, alongside disclosures about effort, time and uncontrollable market volatility, establish realistic expectations and trust, unlike selective performance claims used to attract advisory clients.

7.22. **Reputational impact:** The Noticees submit that ASTA's reputation was built organically over 17 years, with 21 branches, instruction in seven languages and a team of trainers, co-trainers, monitors and leaders. They contend that SEBI's allegations concerning trading losses cause nationwide reputational harm to the Noticees and associated students and volunteers.



Submissions w.r.t. fees collected from course participants

- 7.23. Noticee No. 1's fee is justified by the nature and scale of the educational services provided. The fee is not charged for stock tips or trading recommendations, but for access to a structured, multi-level curriculum delivered through online and offline formats, supported by proprietary study materials, live instructions, mentorship, progress tracking, assignments and doubt resolution mechanisms. The offerings are designed as a long term educational journey focused on building independent market understanding and capability.
- 7.24. The fee also funds the technology and operational infrastructure required to run this ecosystem, including the MyASTA and GLS portal, servers, software licenses, website maintenance, secure internet connectivity, and residential training facilities. It further supports an extensive human support structure involving monitors, ASC groups, regular Satsangs, and post-course academic assistance. The fees, therefore, reflect the cost and value of operating a comprehensive, technology-driven educational institute, and are wholly distinct from the low-infrastructure model of tip-based or advisory services and are a direct reflection of the value and cost of this comprehensive educational journey.

Additional submissions:

- 7.25. **Reinstatement of ISO certificate:** Following the SEBI order, ASTA's ISO 9001:2015 certification (Quality Management System) was suspended by the independent certifying body, RINA. However, at ASTA's request, RINA conducted an additional on-site audit and thereafter fully reinstated the certification. This reinstatement, following independent verification, confirms ASTA's quality management systems continue to comply with international standards. This development directly undermines the adverse inference drawn in the Impugned Order based on the complaints of quality of ASTA programs and its operational integrity. An institution engaged in misrepresentation or suffering from systemic quality deficiencies would not have successfully cleared a further independent audit. The reinstatement therefore demonstrated that the allegations relied upon in the Impugned Order do not accurately reflect the true state of the ASTA's operations.



7.26. One of the complainants, through legal notice dated April 12, 2024, demanded refund of fees of ₹ 6,78,500 and subsequently filed complaint with SEBI. The transformation from a refund demand into a regulatory complaint between April 2024 and June 2025 is not explained in complainants own filings. It is argued that the complainant used to conduct his own analysis, expressed gratitude to his mentorship program monitors, given positive feedback w.r.t. ASTA's teaching and support system. Another complainant confirmed his ability to conduct own analysis based on ASTA's teaching, submission of own study, expression of gratitude towards the trainer, monitors, etc. and thereby supports ASTA's position being an educational institute. The credibility of one more complainant is further undermined by his own on-camera testimony praising ASTA support system, including trainers and monitors. The Noticees have also drawn attention to many other students from the same Mentorship 11 batch who are satisfied with the program further undermining any inference of systemic advisory misconduct. The Hon'ble Supreme Court has consistently held that where a witness's prior statement directly contradicts a subsequent deposition, the prior statement goes to the root of credibility. The principle that reliable evidence is evidence consistent with itself applies with full force. The Noticees respectfully submit that the prior inconsistent statements of Mr Chhabra and Mr Duudeja materially diminish the weight that can properly be placed on their complaint narratives in these proceedings. The Mentorship program generated ₹ 39.08 crore over the investigation period. Using a Mentorship-specific complainant record to justify disgorgement of ₹ 546 crore across all programs involves an attribution leap that the evidence does not support.

C. CONSIDERATION OF ISSUES AND FINDINGS

8. I have carefully considered the allegations levelled in the Interim Order, the replies and submissions made before me during the personal hearings and the materials available on record.

C.1. PRELIMINARY OBJECTIONS

9. Before proceeding to analyse the merits of the case, I deem it appropriate to deal with the following preliminary objections raised by the Noticees. Though the Noticees have raised



these objections under different heads and at different stages of the proceedings, several of them overlap. I therefore consider them below.

A. Ex-parte interim order-cum-show cause notice, absence of prior hearing and challenge to the interim directions

- 9.1. The first set of objections relates to the very nature of the Order dated December 04, 2025. The Noticees contend that an ex-parte interim order imposing restraints and impounding funds cannot simultaneously operate as a show cause notice. According to them, directions having substantial civil consequences, including restraint on business, dealing in securities and impounding of approximately ₹ 546 crore, could not have been imposed before affording them an opportunity of hearing. They have further contended that there was no urgency warranting such ex-parte action since the investigation had continued for several months, a search and seizure operation had already been conducted, the alleged fee collections extended over several years and there was no specific finding of imminent dissipation or siphoning of assets. On the same basis, the Noticees have questioned the proportionality of the interim directions.
- 9.2. Section 11(4) of the SEBI Act expressly recognises SEBI's power to take specified measures pending investigation or inquiry after the completion of investigation. The exercise of such power may necessarily precede a final determination of liability. The Hon'ble Bombay High Court in *Anand Rathi v. SEBI* has recognised that, in appropriate cases involving ad-interim regulatory action, a pre-decisional hearing is not invariably mandatory and the requirements of natural justice can be satisfied by providing an effective post-decisional opportunity. The power to take ex-parte preventive measures has also been recognised by the Hon'ble Supreme Court in *Liberty Oil Mills & Ors. v. Union of India & Ors.*
- 9.3. Thus, the mere fact that interim directions operate immediately and have civil consequences does not convert them into final punitive directions or render them incompatible with a simultaneous requirement to show cause. The interim directions operate pending determination, whereas the show cause component affords the Noticees an opportunity to contest the allegations and the consequential action proposed against them.
- 9.4. There is, however, another aspect which assumes importance in the present proceedings. The Noticees had challenged the specific ex-parte directions contained in



the Order dated December 04, 2025 before the Hon'ble Securities Appellate Tribunal ('SAT'). The Hon'ble SAT, by its Order dated January 22, 2026, dealt with such challenge, partly allowed the appeal in relation to the impounding of proceeds and, *inter alia*, directed the Noticees to file their replies to the SCN and the Quasi-Judicial Authority thereafter to adjudicate the matter.

9.5. Consequently, the questions as to whether the circumstances existing on December 04, 2025 warranted the particular interim restraints, whether the extent of impounding was proportionate, whether lesser measures ought to have been adopted and whether sufficient urgency existed for each of those directions were matters which stood placed before the appellate forum. In view of the Order passed by the Hon'ble SAT, it does not warrant a fresh adjudication by me upon the correctness or proportionality of those very interim directions.

9.6. The present proceedings have a different purpose. They are for final determination of the allegations contained in the SCN on the basis of the material on record and the replies and hearing afforded to the Noticees. The Noticees have been granted such opportunity pursuant also to the directions of the Hon'ble SAT. Accordingly, the objection that the present proceedings themselves stand vitiated merely because no hearing preceded the interim directions cannot be accepted. The interim directions, to the extent they continue to operate, would necessarily abide by the final determination made in these proceedings.

9.7. Therefore, I am unable to accept the contention that an ex-parte interim order and a show cause notice are, by their very nature, legally incompatible.

B. Adequacy of the show cause notice and the legal test applicable to education and advice

9.8. The Noticees contend that they were not adequately informed of the legal standard distinguishing financial education from investment advisory or research activity. They also submit that the clarification in SEBI's Circular dated January 29, 2025 cannot be applied retrospectively.

9.9. I note in *Gorkha Security Services v. Government of NCT of Delhi & Ors.*, the Hon'ble Supreme Court observed that a show cause notice must disclose the alleged breach and the proposed action. The Order dated December 04, 2025 identified the activities and



communications relied upon, the provisions allegedly violated and the proposed directions. The Noticees have responded to these allegations in detail. I therefore find that they were adequately put to notice of the case against them.

9.10. The test for determining whether the impugned communications constituted investment advice or research activity is drawn from the IA Regulations and the RA Regulations applicable to the relevant conduct. These provisions were expressly brought to the Noticees' attention in the Order. The determination therefore rests on those provisions and does not depend on retrospective application of the Circular dated January 29, 2025.

C. Inspection of and access to electronic and investigation material

9.11. The Noticees have also sought access to the electronic material underlying the allegations, including complete video recordings, WhatsApp communications, data relating to student profit and loss, the methodology adopted for such computation and the documents relied upon during investigation. According to them, access to the underlying material is necessary to verify the accuracy and context of the transcripts and other electronic evidence relied upon in the SCN.

9.12. The requirement of a fair opportunity necessarily includes access to the material relied upon against a noticee, subject to the requirements recognised under law. However, as borne out from the record of the present proceedings, inspection of the relevant material sought by the Noticees has already been provided to them and opportunities have thereafter been afforded to submit their replies and make submissions during hearing. Accordingly, to the extent the objection proceeds on the basis that the Noticees were denied access to the relied-upon material, the same does not survive.

D. Complaints, preservation of records, repeat participation and other circumstances relied upon by the Noticees

9.13. The Noticees have further objected to the reference to a large number of complaints and have contended that there is no material showing widespread complaints of advisory losses or mis-selling. They have relied upon the large number of students who attended ASTA's courses, repeat participation in subsequent programs and preservation of operational and student records over several years as circumstances supporting the educational character of their activities.



9.14. Insofar as the number of complaints is concerned, I note that the allegations contained in the SCN do not depend upon proof of any particular number of investor complaints. A complaint may provide information or act as a trigger for examination by the regulator. The sustainability of the allegations, however, must depend upon the evidence gathered during investigation and placed on record. Therefore, whether there were many complaints, few complaints or repeat participants cannot, by itself, determine whether the activities under examination were activities requiring registration under the securities laws.

9.15. The preservation of records, repeat participation by students, satisfaction if any expressed by participants and the disclaimers stated to have been given by ASTA stand on a somewhat different footing. These are circumstances which the Noticees rely upon as evidence of the bona fide educational character of their activities. Their evidentiary value, if any, has to be assessed along with the actual nature and content of the services and communications examined in the SCN. They do not constitute an independent preliminary bar to the proceedings.

E. Whether participants were students or investors and whether the receipts were course fees or advisory income

9.16. The Noticees have contended that the participants in ASTA's programs were students and not investors receiving investment advisory services. On the same basis, they contend that the sum of ₹ 6,01,37,96,917/- represents course fees collected for educational programs and cannot be characterised as income from unregistered investment advisory or research analyst activity. ASTA has further submitted that it acted bona fide in the belief that its programs fell within the field of financial education and has, after the interim directions, discontinued certain activities such as live-market training which were capable of being misunderstood. In my view, these submissions are not preliminary in nature. They go to the heart of the allegations which are required to be determined in the present proceedings and are addresses in detail in the subsequent paragraphs.

F. Individual liability of GS

9.17. The Noticees have lastly challenged the inclusion and proposed liability of GS. It has been submitted that the interim order itself records that she was not found to be personally providing investment advisory or research analyst services and that her



inclusion is based principally upon her position as a director, receipt of remuneration and the mapping of certain students to her as an Authorised Person. Reliance has been placed upon Section 27 of the SEBI Act to contend that liability cannot be fastened upon a director merely by reason of designation without establishing that such person was in charge of and responsible for the conduct of the relevant business.

9.18. This contention also does not constitute a ground for terminating the proceedings at the preliminary stage. Whether a particular Noticee is liable depends upon the basis invoked against such Noticee and the evidence concerning the same. I therefore leave this issue open for determination at the appropriate stage.

10. In view of the foregoing, I find no preliminary ground which prevents adjudication of the allegations contained in the SCN.

11. Having dealt with the preliminary issues raised by the Noticees, I shall deal with the other arguments of the Noticees on merits.

C.2. CONSIDERATION ON MERITS

12. Upon consideration of the observations and allegations brought out in the SCN, the replies filed by the Noticees, oral/written submissions made by them and other material available on record which includes around 200 documentary exhibits and 115 video recordings, following issues arise for consideration:

12.1. Whether the activities carried out by ASTAPL/AS were in the nature of providing unregistered investment advisory/research analysis activities in contravention of Section 12(1) of the SEBI Act read with Regulation 3(1) of the IA Regulations and Regulation 3(1) of the RA Regulations?

12.2. Whether the Noticees, while carrying out such unregistered investment advisory activities, indulged in fraudulent acts or exhibited such conduct, in violation of the provisions of the SEBI Act and PFUTP Regulations?

12.3. If the answer to the above issues is in affirmative:

12.3.1. What is the role and extent of involvement of each of the Noticees?



12.3.2. What is the amount of fee that was collected by the Noticees while carrying out the unregistered investment advisory/research analysis activities?

12.4. Whether the violations, if any, by the Noticees attract any direction and monetary penalty under Sections 11(1), 11(4), 11B(1), 11B(2) and 11(4A) read with Section 15EB and 15HA of the SEBI Act? If yes, what directions should be issued and what should be the amount of monetary penalty, to be imposed on the Noticees, considering the factors provided under Section 15J of the SEBI Act?

13. I shall now proceed to examine the above listed issues in light of the replies/submissions of the Noticees and the material available on record.

14. I now proceed to examine the above in view of the allegation in the Interim Order that the Noticees engaged in activities which are prohibited in the absence of the requisite registration, for example, providing investment advice and making buy, sell, target, stop-loss or similar investment recommendations to participants.

15. The principal defence of the Noticees is that all the impugned communications are educational and part of educational activities and therefore, are educational in nature. The Noticees have repeatedly contended that the impugned communications cannot be viewed in isolation and that the surrounding context demonstrates that the communications were made only as part of training sessions intended to educate students. In support of this defence, the Noticees have produced complete transcripts and recordings of the sessions in which the impugned communications occurred and have submitted that the communications should be evaluated in the context of the entire educational discussion.

16. I agree with the Noticees to the limited extent that context is relevant. A communication cannot be examined in isolation by ignoring the circumstances in which it was made. However, the relevance of context has a limited purpose. The contextual material is relevant to ascertain whether the impugned communication genuinely formed part of an educational exercise. Context is not relevant to determine whether an otherwise prohibited communication can be transformed into a permissible one merely because it was delivered



during an educational session. The existence of a permissible activity does not, by itself, legitimise a prohibited activity.

17. In my view, the correct test is whether the impugned communication itself contains the elements of a prohibited activity. If the communication independently possesses the characteristics of investment advice or a buy, sell, target, stop-loss or similar recommendation or research report, it does not cease to possess that character merely because it is accompanied by educational discussion. Accordingly, the contextual material produced by the Noticees is relevant and requires consideration.
18. Given the above context, in order to test the nature of the impugned communications, the relevant provisions of both the IA Regulations and the RA Regulations need to be examined. The true nature of the communication is required to be determined based on these Regulations.
19. Regulation 2(1)(l) of the IA Regulations covers advice on investing in, purchasing, selling or otherwise dealing in securities, and advice on portfolios containing securities, communicated for the client's benefit through written, oral or other means. It excludes advice disseminated through media widely available to the public. With effect from December 16, 2024, trading calls are also excluded from investment advice under the IA Regulations, but remain within the scope of the RA Regulations.
20. Regulation 2(1)(w) of the RA Regulations covers written or electronic communications containing research analysis, recommendations or opinions concerning securities or public offers that provide a basis for investment decisions. Its scope is not confined to formal reports. The specified exclusions include comments on general market trends, discussions on broad-based indices, commentary on economic, political or market conditions, and technical analysis concerning demand and supply in a sector or index.
21. Regulation 2(1)(wa) defines "research services" to include preparation, publication or provision of research reports or analysis; buy/sell/hold recommendations; price or stop-loss



targets; opinions concerning public offers; model-portfolio recommendations; trading calls; and other services of similar nature concerning securities.

22. Under Regulation 2(1)(o), “price target” concerns a research analyst’s expectations regarding the future performance of specific securities. The definition is therefore not confined to communication of a numerical target price.

23. These provisions needs to be applied on the communication, irrespective of whether it is labelled education, investment advice, a research report or a trading call. Accordingly, the following questions arise:

23.1. ***Whether the communication merely explains educational concepts or provides general information, or falls within a specified exclusion under Regulation 2(1)(w) of the RA Regulations;***

23.2. ***If not, whether its content satisfies the definition of investment advice under Regulation 2(1)(l) of the IA Regulations, or performs a research function recognised under the RA provisions discussed above; and***

23.3. ***Where the communication otherwise constitutes investment advice, whether it was disseminated through media widely available to the public and consequently falls within the exclusion under the IA Regulations.***

24. In view of the above discussion on the test and context to be considered, I proceed to examine the allegations mentioned in Table 4 to 16 of the Interim Order which includes the allegation regarding with the use of live market data for providing security specific information. But before proceeding further, I deem it fit to decide on the arguments placed by the Noticees on the inadequacy in training with the historical data and what additional training skills live data provides for a trainer.

Consideration regarding live data:



- 24.1. **“Right Edge” problem:** The Noticees contend that historical charts create hindsight bias, whereas the “right edge” of a live chart requires students to assess developing scenarios before the outcome is known. I do not accept that live data are necessary to create such uncertainty. Historical charts can be replayed candle by candle while concealing subsequent price movements, requiring students to assess possible breakouts or reversals without knowing the outcome. The Noticees use TradingView, whose “Bar Replay” tool, according to publicly available information, supports stepwise playback, concealment of the scrip’s identity and multi-timeframe synchronisation. These features permit practice of conditional analysis without hindsight bias. The claimed need to use live feeds during market hours is therefore not established.
- 24.2. **Uncertainty and emotional resilience:** The Noticees have also argued that the curriculum explicitly focuses on teaching conditional planning (“What-if” scenarios) and psychological resilience. The Noticees further contend that conditional planning and psychological resilience can be tested only through live market uncertainty and emotional engagement. I note merely observing an instructor analyse live charts or display personal trades does not expose a participant to the financial consequences of those trades. Such observation does not reproduce the personal risk of capital loss that gives rise to trading-related panic, greed or the disposition effect. The use of live data alone therefore does not establish the claimed psychological benefit.
- 24.3. **Open interest analysis:** The Noticees contend that historical end-of-day open interest (‘OI’) data provide only a static snapshot, obscuring the speed, sequence and context of position-building. They submit that tracking OI alongside live prices is necessary to explain intraday accumulation and unwinding, including their relationship with price and volume. While this distinction between end-of-day and intraday data has merit, it does not establish that live data are indispensable. Historical intraday options data, where available at suitable intervals, can demonstrate these changes alongside price movements. Further, commentary highlighting substantial OI build-up at a particular strike during market hours may convey an actionable directional signal and induce participants to take immediate positions, such as buying puts or selling calls.



25. Accordingly, I find that use of live data is not necessary as a part of pedagogy and concepts can be taught by using historical data. Current or live data is not by itself the dividing line. Live market information at the relevant time could have been used educationally, and broad-index commentary is expressly excluded from the RA definition of research report. The decisive step is whether the analysis crystallizes into a recommendation or opinion concerning an identified security and supplies a basis for action. Before proceeding further, I deem it appropriate to deal with the common contentions of the Noticees with regard to the alleged examples.

Consideration of the common contentions:

26. The Noticees have contended that a prominent disclaimer was played at the commencement of the session, explicitly stating that ASTA does not offer advisory services, is not a stock tip provider and that all the trading decisions remain the sole responsibility of the participants. Accordingly, the disclaimer reflects an active intent to prevent reliance and establishes that the programs were strictly educational.

27. While the opening disclaimer forms part of the relevant surrounding context, it is a settled principle that a disclaimer cannot control the substantive legal classification of a communication. The legal classification of any interaction must be determined by its objective content and effect and not merely by the labels attached to it. A disclaimer cannot neutralize statutory regulations if a subsequent communication supplies specific market views, entry/exit levels, stop-losses, support/resistance levels or option strategies, etc. A disclaimer cannot absolve the trainer from the predictable outcome that participants will trade based on the provided set-ups.

28. The Noticees have further argued that some of the sessions were conducted after the participants' have completed several hours of extensive theoretical training (covering concepts such as MACD, RSI, stochastics, tide-wave-ripple, etc.). The participants were technically mature, possessed independent analytical capabilities and were fully equipped to make their own informed trading decisions without treating the sessions as an advisory/research services.



29. The extensive prior training undergone by the participants and technical maturity does not immunize individuals against authority bias or emotional triggers; providing a structured view on an identified security functions as an implicit endorsement that bypasses independence of the participants.
30. The next contention of the Noticees is that the securities discussed during the sessions were not pre-determined or part of a pre-planned recommendation list. Instead, they were selected extemporaneously and instantaneously during live market hours to practically demonstrate how to overcome the psychological hurdles of execution (greed and fear).
31. While the spontaneous selection of securities supports the existence of an unstructured educational environment, it does not prevent a regulatory violation from materializing. An unplanned example can instantly transform into an impermissible trading recommendation based on what is ultimately articulated by the instructor. Spontaneity negates a pre-planned scheme, but the moment a live analysis shifts from explaining a methodology to supplying specific expected movements, downside targets, and capital-deployment strategies, it satisfies the statutory features of an investment advice/ trading call.
32. It is further argued that the stock-specific discussions occupied only a few minutes within a comprehensive program lasting several hours. The vast majority of the time was exclusively dedicated to teaching core theoretical concepts, conducting polls and fostering participant discussion involving doubt solving and feedback sharing.
33. The regulatory classification of a communication is governed entirely by its qualitative and objective effect, not by its temporal duration. A communication does not shed its advisory characteristics merely because it occupies a numerically minor fraction of a larger educational layout. While the extensive concept-teaching and participant polls are accepted as genuine educational activities, the portions of the session that conveyed specific buy/sell views, option structures, or risk levels will be tested whether they are actionable under the regulatory framework.



34. The Noticees have also contended that the instructor did not issue any personalized imperatives or explicitly command any participant to execute a trade. The session focused purely on the ‘how part of execution’ to guide students through live market environments without directing individual action.
35. Under the applicable regulations, an investment advice or trading call need not be framed as a personalized command or an explicit imperative to act. A non-personalized broadcast possessing the characteristics of investment advice/trading call that conveys a definitive view with a potential to influence trading behaviour may also fall under the regulatory definition which will be tested in the subsequent paras. The following para further will test whether providing a setup complete with reasoning, probabilities, and targets supplies the participants with a finished product rather than an academic exercise, rendering the lack of an explicit instruction to “buy/sell” immaterial.
36. I now proceed to analyse each of the allegations in Table 4 to 16 of the Interim Order. I proceed to test the impugned communication the context. In case there are educational elements the same will be identified separately. To ensure objectivity, I have bifurcated the session into two sub-sections namely education and advisory. I note that in the interactive and live market session videos, for the alleged examples, the boundary between an academic illustration and an investment advice/research analysis is exceptionally fluid in certain examples. It does not manifest as distinct, neatly segregated portion. Rather, a singular example may start as a legitimate exercise in technical theory, transition into a regulatory infraction through the utterance of actionable phrases (such as specifying a price target or stop loss) and within a few seconds return entirely to an educational discussion. Because of this rapid, conversational interplay, certain sections inevitably exhibit overlapping characteristics.
37. A finding of an advisory nature within a broader educational section is not a conflation of the two domains; rather, it is a precise recognition of the moments where the line was temporarily crossed, irrespective of the session quickly reverting to a teaching framework. Further, where an ambiguous overlap exists and the communication can be reasonably interpreted as purely illustrative, it has been classified under education. Consequently, a



finding of an ‘advisory’ nature is reserved only for those instances where the communication provided immediate, definitive trading calls (such as precise entry zones, stop-losses, and options strategies, etc.).

C2.b.i. Analysis of allegation in Table 4 (April 28, 2025 - Monday)

Allegation:

38. Noticee No. 2/AS repeatedly provides precise stop-loss levels and targets for specific securities during live market hours and even displays Mark to Market (**‘MTM’**) gains to participants to make them believe in the effectiveness of the trading strategies. At one place AS also mentioned “*humare liye acha hai*” indicating that his recommendations are for everyone. Further, in one instance (at 01:45:53 of the video), a participant said that he has taken a position in the security (i.e. Power Finance Corporation Ltd – **‘PFC’**) during session based upon recommendation of the ASTAPL/AS.

Contention:

39. This was a live market training session (not a trading session) that was planned 3 months in advance as part of the SMM course schedule with an objective of demonstrating application of the ‘decision making framework’ (SMM checklist) and risk management, taught in the main and revision sessions. Before commencement of the session students were warned not to copy any trade shown by the trainer, nor take any trade or focus on their own trade positions to avoid distraction during learning. At around 00:24:39, AS asks participants about their expectations from the sessions and gets a response as “*knowledge*”, “*how to take entry*”, “*how live market works*”, “*end to end execution*”, “*view building*”, etc. To address the query on view building, AS starts with PFC example with 5 monthly view building.

40. Stop-loss and target are fundamental concepts of technical analysis, taught in SMM Level 1 in detail while teaching the SMM decision checklist. These levels were explained as illustrative calculations derived from chart patterns, not as executable instructions. The discussions focused on identification of such levels, not on directing participants to place trades. The session was used solely as a pedagogical tool to demonstrate candle formation, volume behaviour, pattern development. Display of MTM was not promotional, but explanatory to show trailing stop loss concept, how to enter/exit and pyramiding – a



concept of adding to winning position, to demonstrate emotional training during fluctuating MTM, etc.

41. The phrase “*hamare liye accha hai*” needs to be seen in the context of the view building process using ‘tide-wave-ripple’ concept taught in the main sessions. It is used in a general, informal language in the educational sense, not as a directive. “*Hamare liye*” means those who have done the proper study and are waiting for a trend change. At 00:37:07, he explains here’s an opportunity as per “*Wave going against the tide*” – an important concept taught in SMM. Further, AS said “*agar yeh hota hai toh hamare liye accha hai*” which emphasizes importance of not taking action in anticipation, as anticipation is a major cause of failure in the markets. He also says “*this is how I am picking this stock to BUY*”, teaching how to select stock as per decision framework learnt in SMM. At 00:37:35 AS explains two possibilities – “*If goes up then it may breakout or if it goes down then it will take weekly also down*”. Important context is missed that what-if conditions were explained by AS and there were no guaranteed buy recommendations given by AS. With regard to comment of one of the participants, it is contended that a participant’s unilateral action cannot be attributed to the trainer. At 00:40:57, AS once again revisits the double screen SMM Checklist and explains how this is a possible opportunity with possible targets and stop loss as per the studies and was perfect example of application of Decision checklist taught in SMM 2 days main session in live market education session. At around 02:08:00, AS explains reason for choosing PFC as a trade, as there was a higher timeframe view, not on hourly MACD.

Consideration:

42. I note that at the commencement of the session itself, participants were informed that they were attending a “*live market training session*”. More importantly, they were told as “*You have to just see how Avadhut Sir builds view.*” They were further informed that “*Avadhut Sir is showing you something. You have to see the way he is doing it.*”

43. These communications are important because they define the role assigned to participants during the session. The participants were not being invited to independently analyze securities and formulate their own conclusions. Rather, they were being asked to observe



how the instructor himself arrives at a market view. This aspect is important because the issue for consideration is not merely whether technical concepts were discussed but whether the communication itself conveyed an opinion concerning a security, communicated an expectation regarding its future performance or otherwise provided a basis for an investment decision.

Education:

44. After the introductory messages, there was question and answer ('Q &A') session from around 00:07:02 to 00:19:00 which was followed by playing the disclaimer. Thereafter, the monitor mentions about quiz on the full concepts been uploaded on the GLS. This was again followed by the Q&A and monitors asking the participants about their expectations from the live session, to which, they respond as knowledge, view building, how to enter/exit, etc. which continues till around 00:25:40. Thereafter, AS joins and speaks about following the path of least resistance and being with the dominant force. With regard to the query on view building, he says that one should always start with higher time frames and identify the trend at around 00:28:59. This part of the sessions bears educational elements.
45. Further, AS emphasizes on following the process (i.e. how to enter/exit, how to apply risk-reward tools, put a stop loss, etc.) with an analogy of curd formation somewhere between 01:25:48 to 01:27:20. He further says that study may not work every time and one must take stop loss and re-iterates about importance of following a process somewhere between 02:34:30 to 02:34:54. This is followed by Q&A session between 02:37:50 to 04:20:41. These communications reflect educational elements during the session.

Advisory/Research Service:

46. At around 00:29:08, the instructor states that *"I am just taking one example because this stock I bought today."* At around 00:30:05, he further states that *"I am just telling you how I have built my view and taken few trades today."* Then somewhere between 00:30:05 and 00:30:34, AS discloses that he has sold puts, taken long positions in futures and commodities and that fresh orders had recently been executed.



47. These communications are of considerable importance. Before any discussion of MACD, RSI, stochastic indicators, divergence, chart patterns or tide-wave-ripple analysis commences, participants are informed that the trainer has already selected a specific security, formed a market view regarding that security and acted upon that view through actual market transactions.
48. Thus, the communication has already moved to a specific identified security. It has already disclosed the trainer's own assessment regarding that security. It has already disclosed trading conduct undertaken pursuant to that assessment. Consequently, the communication acquires the characteristics of an opinion concerning a specific security and provides participants with a foundation upon which an investment decision may be evaluated.
49. The chronology thereafter is also relevant. At around 00:31:07, the trainer states that the five-month MACD is moving upwards and that the broader trend remains upward. At 00:31:25, the decline is characterized as a retracement rather than a deterioration of trend. These communications are not merely descriptions of technical indicators. The trainer is evaluating the significance of those indicators and communicating the conclusion that he derives from them. The communication therefore constitutes analysis concerning a specific security and simultaneously communicates an assessment regarding its likely future direction.
50. At 00:32:01, the trainer states "*But that is the advantage we can take.*" At 00:32:15, he further states, "*abhi humko neeche mein buy karne ko mile.*" The retracement is therefore not being discussed neutrally. It is immediately evaluated from the perspective of a buying opportunity. Applying the indicators to PFC, characterising the fall as only a retracement and carrying that analysis forward to a buy opportunity supplies the security-specific reason and direction. The communication thus moves beyond analysis and enters the domain of communicating the desirability of a particular course of market action.



51. The discussion thereafter continues in the same direction. At 00:33:05, the instructor refers to stochastic approaching oversold territory on a monthly chart. At 00:33:13, he states: *“If it goes up, it is an opportunity.”* At 00:33:28, he expressly states, *“..as a long-term investor, it’s like a buying opportunity for me.”* At 00:33:40, he states, *“RSI ne buy de diya”*. At 00:33:46, he further states, *“I am getting a buy signal on double screen”*.
52. The cumulative effect of these communications is significant. The instructor is not merely explaining what RSI or stochastic indicators mean. Rather, he is communicating the conclusion which he draws from those indicators. Expressions such as *“buying opportunity”*, *“buy signal”* and similar statements communicate an expectation regarding future performance and simultaneously convey why the security is considered attractive from a purchase perspective.
53. Consequently, the communication performs more than an educational function. It communicates an opinion concerning a specific security, conveys expectations regarding future performance and provides reasons supporting a buying thesis.
54. The same pattern continues thereafter. At around 00:34:24, the trainer identifies an inverted head-and-shoulders pattern and states, *“So agar ye break karega to hamare liye achha hai”*. Immediately thereafter, he states, *“So this is how I am picking this stock to buy.”* The phrase ‘if it breaks’ is conditional, but conditionality does not automatically make the statement educational. Where AS identifies PFC, supplies the bullish pattern and then says this is how he is selecting the stock to buy, the condition operates as a trigger within a completed thesis.
55. The relevance of these statements lies not merely in the use of technical terminology but in their placement within the discussion. AS does not first invite participants to independently analyze the chart and determine whether the scrip supports a purchase or sale or retention. Instead, after informing participants that he has already purchased the stock, he identifies a series of technical factors and explains why those factors support his decision to buy.
56. The communication therefore performs two functions simultaneously. First, it communicates analytical reasoning concerning a specific security. Secondly, it



communicates the conclusion that AS has reached on the basis of that reasoning. It therefore operates not merely as analysis but as analysis coupled with a communicated market view.

57. The same approach continues throughout the remainder of the discussion. At around 00:35:06, the instructor analyses the five-month, monthly and weekly structure and states that continuation of the weekly trend may carry the monthly trend higher. At 00:36:32, he further states, “*if weekly continues to go up, then monthly may also go up.*” These statements communicate expectations regarding future performance of the security. The focus is no longer confined to explaining chart structures. The communication is directed towards what is expected to happen going forward.
58. At around 00:37:27, while discussing daily weakness, AS states, “*Now here is an opportunity*”. At around 00:38:57, he identifies a double-bottom (reversal) pattern. At 00:39:26, he explains that divergence, candlesticks and volume supporting that pattern. At 00:40:25, he states, “*Candlesticks good, green, volume more than average.*” At 00:40:44, he confirms the existence of bullish divergence. This is followed by mentioning targets at around 00:44:07 based on the inverted head and shoulders.
59. Viewed holistically, these communications reveal that one factor after another is identified as supporting an upward movement in the security. The indicators are not being discussed as neutral concepts capable of producing multiple outcomes. Rather, they are progressively assembled as reasons supporting a bullish thesis already disclosed at the outset.
60. **Conclusion:** In view of the above, I find that AS did not merely use PFC as an illustration for explaining MACD, RSI, stochastic indicators, divergence, candlesticks or multiple-timeframe analysis. At the outset, AS disclosed that he had purchased the stock that day and was explaining how he had built his view and taken the trade. The subsequent analysis identifies that stock as PFC. The separate references to selling put options, taking long positions in futures and commodities and the execution of fresh orders should not, in the absence of an express linkage, be treated as transactions undertaken specifically in PFC. This does not, however, affect the character of the PFC communication. AS characterised the decline as a retracement within a continuing upward trend, described the lower price as



an advantage and a buying opportunity, stated that the RSI had given a buy signal and that the double-screen analysis also produced a buy signal, and explained that the inverted head-and-shoulders breakout would be favourable. He thereafter identified daily weakness as an opportunity and relied upon the double-bottom formation, bullish divergence, green candlesticks, above-average volume and the alignment of the weekly and monthly trends to support the same conclusion. His statement, “*This is how I am picking this stock to buy*”, expressly connected the analysis to the purchase decision. Further, the expectation that continuation of the weekly trend could carry the monthly trend higher, together with the targets derived from the inverted head-and-shoulders pattern, indirectly but clearly communicated the anticipated future appreciation of PFC. Thus, the participants were given the identified security, the completed bullish thesis, the disclosed purchase, the buying opportunity, the technical reasons, the breakout trigger and the expected upward movement.

C2.b.ii. Analysis of allegation in Table 5 (March 09, 2025- Sunday)

Allegation:

61. AS is predicting breakouts in scrip, resistance levels, target levels, and suggesting long-term investment opportunities in specific scrips during sessions conducted for course participants/investors of paid course. He is also using the past price volume chart data for predicting future price in a session.

Contention:

62. This was a non-market hour, full day main training session of the GUE module (batch 3G25) held on **March 09, 2025** i.e. Sunday that was planned 6 months in advance as part of GEO course schedule. The purpose of the training session was to cover Elliot Wave concepts, high probability set ups and Elliot Wave Marriage with various indicators.

63. This is GUE day 2 session 2 focusing on Elliot Wave Theory Concepts wherein AS extensively teaches about Impulse and corrections as per Elliot wave theory and was solving/studying and discussing some examples namely HDIL, PNB so that students get thorough understanding of the concepts. During 01:52:20 to 01:52:24, while solving these examples AS navigates to Natural gas example and at 01:52:21 says that “*Yeh na mujhe*



lagta hai break out karne waale hai..NG” but immediately says *“Aisa lag raha tha ki 5th wave ho gayee hai lekin ki bharosa nahi iska”*. This demonstrates the trainer thinking from both bullish and bearish point of views with an objective of inculcating habit of thinking in terms of “what-if scenarios” in his students. Nowhere he mentions students to enter into trade and starts with general interaction with students.

64. During 01:59:39 – 01:59:47, AS discusses about an important concept of resistance. He also insists on not trading unless all the conditions match and to develop patience by revising concept of following the path of least resistance learnt in SMM level 1 and PAPA level 2. Between 02:05:44 - 02:05:54, AS navigates through multiple stocks to study Elliot impulse waves and corrective waves, he finds one where 1-2-3-4-5 impulse is completed and most likely A-B-C corrective wave is also completed and most of the discussion is focused on the study. Further, the use of word “*mostly*” in transcript, suggests nothing is always true in markets. AS teaches the approach regarding stock selection from various opportunities and further discusses the study from 02:06:31 to 02:08:52 about EDT and ABC correction with 62% retracement. During 02:13:00 to 02:13:21, AS discusses complex correction, shows students how to understand outperformance of a stock, how to use Fib Extension tool, discusses about BB and breakout, overall SRF Limited fitting into the Elliot concepts, etc. which is a practical demonstration of finding targets and applying it on price range tools in SMM level 1. In the ICICI example, between 02:13:53 – 02:14:26, AS revises what actions can be taken as per view built in chart which was learnt in level 3 FOME. It is argued that the AS has spent around 187 minutes explaining concepts which shows that the sessions are for purely educational purpose and an advisor would not spend so much time to explain topics only to give an advisory. It is also argued that the only way an advisor advises is by giving the entry price, SL price, target price and asking people to enter the trade if they want to and don’t spend entire day teaching people how to perform analysis to arrive at decisions to trade. Noticees have submitted the transcript of this session.

Consideration:

65. I have examined the communications during the session. The issue for consideration is not merely whether technical concepts were discussed but whether the communication itself



conveyed an opinion concerning a security, communicated an expectation regarding its future performance or otherwise provided a basis for an investment decision.

Education:

66. I note that the session commenced at around 00:25:01 with the questions from participants and doubt solving by the monitors covering various topics such as wave indicator, timeframes, use of logarithmic and linear scales, marking of Elliot waves and its naming conventions, high probability set ups, etc. and went on till about 00:53:00. This discussion on concept clarification followed by participation by one of the attendees to share his feedback underscores an educational set up for reviewing takeaways of the participants and appears to have been intended to clarify doubts of the participants before proceeding to the session conducted by AS on application of Eliot wave concepts, high probability set ups and Elliot wave synthesis with various indicators. This coupled with instructor's emphasis on "*backtesting with examples*" along with "*importance of execution as skill besides knowledge, patience and practice*" explicitly indicates that participants were instructed to analyze historical data through simulations which indicates educational elements.
67. Thereafter, from around 01:02:26 onwards till 01:27:33, the concept of 'How to get the correct counting' was covered extensively by explaining 'impulse vs correction', 'identification of correction waves', 'identification of expanded flat corrections as a way of finding opportunities', 'use of triple screen for decision making and Elliot principles for filtering and verification of set ups and fine tuning of stop losses' using examples of historical price movements of NIFTY and ITC. During the discussion, AS emphasized on importance of focus on either an instrument or a set-up which has been thoroughly understood by the participants during actual execution i.e. either single set-up with multiple instruments or one instrument with multiple set ups before moving on to solving examples. At 01:35:41 onwards, AS starts with historical example of HDIL followed by PNB and demonstrates historical price movements and covers identification of triangle based on different conditions, EDT, formation of Bollinger band challenge, RSI and ADX parameters, target channeling technique, stop loss Elliot guidelines based i.e. support resistance based, Fibonacci relationship, etc. Then somewhere around 01:55:00, AS goes through various scrips shown by screeners on chartlink.com website to show application of set up.



68. For clarity, the reference to the screener exercise commencing at approximately 01:55:00 records the transition to practical application; it is not a finding that every communication occurring thereafter is necessarily educational. The examples subsequently taken up are separately examined on their own content.
69. Further, from 02:22:01 onwards till around 02:22:43, AS asks the participants to analyze stocks in their portfolios using scanner with a view to objectively identify underperforming stocks to exit and replace them with high potential setups that align with the Elliot Wave guidelines taught during the session. AS reiterates importance of back testing and identification of various set up in different timeframes.
70. The communications, during this portion of the session, did not contain any opinion regarding the future performance of any of the discussed scrip, any suggested course of action in the scrip, or any recommendation to buy, sell or hold the security. Accordingly, I am of the view that this portion of the session bears the character of educational activity. The communication demonstrates that educational content was imparted during the session and that the historical charts of NIFTY, ITC, HDIL and PNB were being utilized as a teaching aid for explaining Elliot wave principles.
71. AS also takes example of Natural Gas futures from 01:50:35 onwards and demonstrates impulse during 2023 and 2024 period with trend line breakout, third wave, two higher lows, two lower highs, etc. This communication also did not contain any opinion regarding future performance of the scrip. The words “from 01:50:35 onwards” above are however, not intended to extend the educational finding into the spot-chart segment beginning at 01:52:20 which is discussed separately.
72. I have also considered that the session was conducted on March 09, 2025, a Sunday and a non-market day; that it was scheduled approximately six months in advance as part of the GUE module; that it followed more than 175 hours of theory in the SMM, PAPA and FOME modules; and that the securities used for solving examples were not predetermined. These circumstances support the Noticees’ contention that the session, viewed institutionally and as a whole, was a pre-planned curricular exercise and was not convened for disseminating a contemporaneous trading call. The fact that the market was closed also meant that the participants could not immediately execute any alleged view. The spontaneous selection of examples is likewise relevant to the pedagogical purpose and the Noticees’ intent. These circumstances are not, however, conclusive of the character of



every communication within the session; each identified communication must still be examined for whether it merely demonstrates the taught method or proceeds further to communicate a present, security-specific and forward-looking conclusion.

Advisory:

73. Somewhere between 01:52:20 to 01:54:49, I note that AS switches to Natural Gas (spot) example and states that “*ye na mujhe lagta hai breakout karne wala hai*”. I note the subsequent communication in this regard which includes checking the wave pattern, commenting about existence of divergences and saying the RSI above a certain level with a break out may indicate continuation of impulse. He further confirms impulse in the monthly and weekly chart, Bollinger band been challenged, RSI above 60 in weekly and confirms the fifth wave.
74. The statement “*ye na mujhe lagta hai breakout karne wala hai*”, if read in isolation, may not conclusively indicate the direction of the breakout. However, the communication cannot be examined by isolating one sentence from what immediately precedes and follows it. AS thereafter identifies the RSI being above 50 on the daily chart and above 60 on the weekly chart, refers to the Bollinger Band being challenged, characterises the weekly and monthly structures as an “impulse”, and ultimately states about approaching fifth wave. Thus, although the observation at 01:52:53 is expressed conditionally, the communication as a whole conveys trainer’s present assessment that continuation of the impulse and an upside breakout are probable upon confirmation of the identified indicators. The important distinction is that the instructor is no longer merely explaining what RSI, Bollinger Bands or Elliott Waves signify in theory. He applies those indicators to an identified live instrument and derives from them an expected future movement. It is this application and resulting forward-looking view which gives the communication an advisory/recommendatory character.
75. I now move to the example of Inox Wind Ltd., discussed from 01:58:04 onwards. Referring to its prevailing price-volume chart, AS states, “*.yahan par tumko resistance hai...kaahe ko buy karne ko re baba*”, identifies an A-B-C structure and advises waiting for another higher low. This is not merely an explanation of resistance. It applies the taught strategy to



an identified scrip and conveys a definite conclusion i.e. not to buy presently and reconsider entry only upon emergence of the identified setup. A negative recommendation equally influences whether and when an investment decision is made.

76. I have considered the contention that AS was merely revising resistance, patience and non-entry until all conditions matched. A general explanation of these concepts would remain educational. Here, however, the prevailing chart was resolved into a scrip-specific course of conduct. The earlier teaching explains the analytical basis but does not convert the resulting conclusion into a general lesson. By stating both the reason for withholding entry and the future condition for reconsidering it, the communication became materially actionable.
77. The next example concerns Data Patterns (India) Ltd., discussed from 02:03:55 onwards. While examining the price-volume chart, AS identifies the wave structure and EDT, checks the volume and indicates that the scrip is likely to give a dip. He thereafter states that the scrip is good for long-term equity investment on account of the 62% retracement in its wave and from 02:15:24 onwards, also examines the fundamentals of the company and finds them satisfactory. The distinction between teaching and application is particularly clear in this example. Explaining the significance of an EDT or a 62% retracement would be educational. However, after identifying those features in Data Patterns, AS draws two investment conclusions from them - first, that a downward movement is probable in the immediate term; and second, that the scrip remains suitable for long-term equity investment. The communication thus identifies the instrument, evaluates its technical and fundamental position and states the expected consequence for different investment horizons. It therefore contains both a forward-looking view and an investment opinion regarding the identified scrip.
78. I have considered the discussion between 02:05:44 and 02:08:52 on impulse waves, ABC correction, EDT and 62% retracement. By itself, it is educational. It becomes recommendatory when AS predicts an immediate dip and states that Data Patterns is suitable for long-term investment. The two conclusions relate to different horizons, but both concern the future position of an identified scrip.



79. Subsequently, AS takes up an example of SRF Ltd. from 02:11:00 onwards. He initially analyses the historical chart and notes that the scrip moved upwards for approximately eight years, remained sideways for about three years and, in the current year, crossed the high of the preceding three years. Up to this stage, the exercise may be capable of being characterised as analysis of historical price behaviour. However, AS does not stop at explaining the past pattern. He characterises SRF as an “outperforming stock”, examines the current monthly MACD, notes that it is above the zero line and applies the Fibonacci extension tool to derive a price target of approximately ₹3,200–₹3,700. The communication therefore crosses from explanation into a forward-looking assessment when the historical analysis is applied to the presently identified scrip to arrive at an expected future price range. A price target itself is the conclusion of an analysis. Once such conclusion is communicated together with the technical rationale supporting it, the communication cannot be treated merely as an illustration of how the Fibonacci extension tool operates.
80. I have considered the discussion at 02:13:00–02:13:21. The explanation of the Fibonacci extension tool remains educational. However, AS applies it to the prevailing SRF chart, described the scrip as outperforming and derives a future price range of ₹3,200–₹3,700. I find that communication of this range has recommendatory character. It provides a numerical basis for assessing potential upside, holding period and exit expectation. The distinction lies not in demonstrating the tool, but in communicating its forward-looking outcome for an identified scrip.
81. In the ICICI bank example discussed from 02:13:26 onwards, AS identifies correction in the scrip. He further says that there is correction in weekly and when the correction ends, it will likely go up. He further says that there is correction in daily as well and in the times of corrections, it is ok to sell put options but one shouldn't buy call options. By way of identifying correction in the scrip, AS is suggesting an options trading strategy designed for a specific market phase.
82. I have considered the contention that the impugned communications formed part of an educational discussion on Elliott Wave guidelines. I determine the character of each



communication from what was actually conveyed. A concept may be taught through historical charts, hypothetical examples or identified securities, provided the discussion remains confined to explaining the concept. The position changes where AS applies the concept to the current position of an identified security and communicates an expected movement, target, investment suitability or trading strategy. The educational setting cannot cloak such a scrip-specific conclusion. Similarly, the fact that the statement was made on a Sunday affects immediate executability, but not its capacity to guide conduct when the market opens on the next trading day.

83. I do not hold that every completed application of technical analysis automatically becomes advice or a research recommendation. I have examined cumulatively the identified security, analytical reasoning, future view and resulting actionable conclusion in the context of the complete communication.
84. **Conclusion:** In view of the above, I find that AS did not stop with explaining Elliott Waves, RSI, Bollinger Bands, resistance, retracement, MACD or Fibonacci extension. He applied those concepts to identified instruments and communicated the conclusions emerging from that exercise. In Natural Gas (spot), the statement that it was likely to break out, read with the daily RSI above 50, weekly RSI above 60, Bollinger Band challenge, continuation of the impulse and the anticipated fifth wave, conveyed a conditional but discernible upward view. In Inox Wind, AS identified the prevailing resistance, advised against purchasing at the existing level and indicated that entry should be reconsidered only after another higher low, thereby communicating a present non-entry decision and the future condition for purchase. In Data Patterns, the anticipated immediate dip and the opinion that the scrip was suitable for long-term equity investment are not contradictory, since they operate over different investment horizons; together with the identified 62% retracement and satisfactory fundamentals, they conveyed both a near-term downside view and a longer-term investment opinion. In SRF, the description of the scrip as outperforming, the current MACD above the zero line and the projected range of approximately ₹3,200–₹3,700 communicated an identifiable upside objective. In ICICI Bank, AS identified an ongoing correction on the daily and weekly charts, expressed the view that the scrip would likely rise after the correction ended and stated that selling put options, rather than buying call options, was appropriate during such correction. Thus, the participants were supplied not merely with the analytical tools but with their completed application in the form of expected



direction, investment suitability, non-entry or entry conditions, price targets and an options-trading response. These are forward-looking and actionable communications.

C2.b.iii. Analysis of allegation in Table 6 (May 11, 2024 - Saturday)

Allegation:

85. AS is predicting bearish trends in the index, recommending exit opportunity in scrip, and providing target and resistance levels for scrip during session conducted for participants of paid course. He is predicting future price and asking course participants/investors to see once a level is reached. Although he is clarifying that he is only teaching, his courses are actually giving advice on future price of specific securities.

Contention:

86. This is the PAPA Main Session conducted on a Saturday and disclaimer was run before the session began. AS explains the concepts of ‘how to spot significant candles – a topic taught in PAPA i.e. level 2 of the GEO program’ using multiple examples along with notes. While explaining different significant candles, he opens the chart of ‘NIFTY Smallcap 100’ to show a concept called “Distribution”. The index chart was used as an example to show students how market trends can guide decisions regarding their existing stock investments. AS explicitly outlined his personal strategy, clarifying that it was strictly educational and should not be taken as financial advice.

87. Further, the example of Hindustan Motors illustrated how a ‘hanging man – a hammer shaped candlestick appearing at the bottom of an uptrend’ signals market danger once the price breaks below its low. He then emphasizes caution when fundamentally weak stock experience aggressive rallies, using them to teach students how to differentiate price action in high-quality versus low quality equities. To illustrate this, he highlighted a “High-Wave” candlestick forming at market tops. He explained that a High-Wave candle accompanied by massive trading volume is highly significant—especially when the subsequent price closes below its low, confirming a bearish reversal. Furthermore, he warned that weak stocks often rally purely on overall market momentum. When the broader market peaks and tops out, these weak stocks are the first to collapse, effectively trapping retail investors who bought near the highs.

88. At 02:11:30, AS illustrated this concept by identifying historical “High-Wave” candles in the ICICI Bank 2008 and Hindustan Motors 2024 examples. He then instructed students to



back test past market data to analyze how prices historically behaved after a high-volume high-wave candle appeared and homework by searching for historical high-wave candles with massive volume to see how the market reacted next. Finally, he provided a transparent breakdown of his own portfolio management, explaining the exact rationale and market signals that led him to exit 50% of his investments in Hindustan Motors. This shows a pedagogical approach in both technical and psychological aspects – the trainer is training students on ‘how to think when they see certain signs in the market.’

89. The ONGC scrip discussed at 02:30:20 was an example of PAPA Page#13 set up which is a double top with neutral candles at the 2nd top. The example was selected as it covered multiple topics such as EDT breakdown, Page#13 set up of double top, distribution, neutral candles on monthly. While explaining this example, AS made notes at 02:32:02, about how low volume bearish candles taking out high volume bullish candles can be a bearish sign. Further, he mentions that ONGC may not go above 278 at 02:32:55 with a disclaimer that “*I can be wrong*” showcasing to think from ‘probability’ instead of ‘certainty’ point of view. At 02:34:31, he shows monthly chart of ONGC to showcase how neutral candles at top is not a good sign which was covered in significant candles topic.
90. Out of the 120+minutes of session 1 of Day 1, approximately 4 minutes were used to show latest chart examples and at no point during the session are students asked or instructed to buy, or sell any particular stock.

Consideration:

91. I have examined the aforesaid communications.

Education:

92. I note that the session commenced at around 00:20:00 onwards with the monitors asking the participants about completion of quiz about PAPA concepts and stating that there will be no more extension granted for submissions since completion of quiz was a pre-requisite for attending the main session of the PAPA module. It was followed by doubt solving of the participants by the ASTA monitors/co-monitors which went on till around 00:49:30. I also note that during this part of the session, one of the participants provided positive feedback about the sessions and the support received from ASTA with regard to doubt solving to provide clarity on the concepts, etc. Further, I note that the emphasis by the volunteers was on application of concepts, taking notes and continuous practice followed by a running of a disclaimer at around 00:49:33. Thereafter, AS joins at around 00:52:25



and emphasizes on importance of practice and overview of concepts such as double bottom, double bottom in bullish reversal, cup and handle, inverted head and shoulder learnt in SMM module with example of Aluminium and Silver to talk about various possibilities before introducing the idea of paying attention to price action - PAPA. Between 01:07:38 to 01:17:13, AS expresses his disappointment as participants did not submit homework nor taken tests on time and emphasizes on patience, practice with actual trades and commitment for the next 3 years. He then starts with PAPA at 01:24:45 with explaining about first item i.e. weapon (significant candle) with Silver futures, NTPC and Midcap 100 Index and recording notes which goes on till about 01:40:38. Thereafter, he starts with the next item i.e. concepts from around 01:40:42, explains about NIFTY 50 Index in 2020 ICICI bank example for 2009 to explain the concept of hammer and hanging man at the top, respectively. Then he extensively teaches about ICICI 2008 example before moving on to the example of CNX Smallcap Index example at around 02:07:06.

93. Thereafter, from 02:11:40 onwards, he mentions about high wave candle with high volume at the top (e.g. ICICI Bank 2008 and Hindustan Motors 2024) and says that there would be multiple examples like this and asks them to find examples for each of the candle mentioned in his notes such as mother candle at major support, largest red candle at the bottom of a major downtrend, morning star at the bottom of a trend, etc.
94. At 02:12:09 onwards, AS runs a poll w.r.t. support/resistance in the context of candles and asks which of the two scenarios is more bullish in nature based on action of 4 consecutive days. Since 28% participants selected wrong answers, he scolds them as concepts are not clear and asks those who selected wrong answer to provide rationale for the same. Then he once again teaches the concepts by *inter-alia* explaining that although there is an attempt to break the support, the price is closing at the end above, away from the support and clarifies that inverted hammer doesn't indicate bottom and inverted hammer alone is also not bullish. Thereafter asks questions, to which, the participants respond with correct answers which goes on till 02:22:20 before moving on to the next topic of 'Doji'.
95. He explains with various scenarios of PAPA page 13 set up from 02:24:16 onwards and emphasizes that without confirmation candle, no decision to be made. Then he says that this page 13 set up is across the market which is not a good sign and moves on to the various examples such as NTPC, Reliance, etc.



96. Further, at 02:39:59, he shows a chart of Nifty 50 as on March 05, 2014 and runs a poll asking the participants whether they will short after the Doji as shown in the chart and asks the rationale for the answer after ending the poll who gave wrong answer. Participants started answering to queries raised by AS saying *“Unless follow up. There has to be a red candle”*, *“There has to be a confirmation. Breaking down the low of that doji. We just saw the breaking down the low of the doji.”*, etc.
97. One of the participants then asked a doubt at around 02:43:17 which was resolved by AS and goes on with ICICI Bank followed by Nifty Midcap 100 Index examples. He touches upon ‘accumulation at bottom’, ‘Distribution at the Top’, ‘identifying counter attacks’, ‘sandwich pattern’, etc. and asks them to practice with 100, 200, 500 examples on the setups provided and observe what happened, why it happened, etc. and asks to copy the notes. This was followed by Q&A by the participants with monitors.
98. From around 03:26:59 onwards, he moves on to revise ‘Concepts’ and starts with ‘Consolidation’, ‘accumulation’, ‘distribution’, ‘PAPA page 13 for bullish – Downtrend- bottom- bounce- fall- double bottom- fake breakdown – confirmation green candle’, ‘PAPA page 13 set up for bearish – Uptrend, top, correction, bounce, double top- neutral candle- confirmation red candle’, ‘long lower weaks near major bottom’, etc. with the help of examples and emphasis on ‘Application of any CONCEPT with a CONTEXT’.
99. I note that all these communications bear the educational elements in the session.

Advisory:

100. I note the session is dated May 11, 2024. I further note that after discussion of ICICI Bank 2008 example, AS moves on to discuss the example of CNX Smallcap Index at around 02:07:06 onwards. In this example, he shows the concept of distribution and says *“ab agar bounce bhi ayega na, toh mujhe nahi lagta ki iske upar jayega”* pointing at level of 16,882 and then goes on to explain the reason for this as *“In dono ko todne wali, usko nigalne wali, inke low ke neeche close karne wali ye candle. Ab ye bear ka weapon hai, shastra hai”* at 02:07:59 and *“Aur ye bhi ek candle important hai kyunki isne bhi bahut saare ye saare candle ko khaya. To agar jayega to maan maan yahan tak jayega. Yahan jayega to ek excellent mauka hoga nikalne ka market se”* at 02:08:10. Thereafter, he indicates a price target and says *“Agar agle hafte market yahan jata hai, jo bhi hai bech ke baith jao. Cash mein aa jao. Yeh advisory nahi kar raha hoon”*, at around 02:08:25 followed by *“Study ke hisab se bata raha hoon ki main kya karunga. Main to nikal jaunga,*



poora ka poora saaf kar doonga equity portfolio. Baad mein aaram se baithenge. Aur poore market ko short karne ki taiyari rakhenge, futures option seekhna hi hai abhi. Kyunki futures option se hi girte hue market mein paisa kama sakte hain.”

101. The advisory character of this portion is supported by the fact that the communication does not end with identification of distribution or the bearish candle. It identifies ₹ 16,882 as the likely upper limit of a bounce, describes a move to that level as an excellent opportunity to exit, and then tells participants that, if the market reaches the stated level in the following week, they should sell whatever they hold, move into cash, clear the equity portfolio and prepare to short the market. These are not merely observations about how a bearish setup is identified; they are specific prospective courses of conduct derived from that analysis. The use of the first person “what AS himself would do” , does not alter the objective effect of the communication when it is conveyed by the instructor to trained participants together with the analytical basis and is capable of being adopted by them. The immediate disclaimer also cannot prevail over the substance of the preceding and succeeding directions. Although the underlying chart is an index, the communication extends beyond a view on the index and recommends a market-wide equity allocation and trading response.
102. At 02:08:50, he moves on to the example of Hindustan Motors saying that he has already exited 50% of his position due to formation of hanging man at the top and if it closes below that (indicating ~44.81) one should exit, immediately adding that the rally in the scrip is indicating danger signs in the market. Then he says that one has to remain vigilant with these kind of companies, which are fundamentally weak and go for a rally. Thereafter he says at around 02:09:36 that “*Company mein abhi bhi kuch bhi nahi hai andar. Yeh pata kiya. Agar aisa hai, there is no turnaround story, then this is a high volume weekly candle mein high volume high wave candle. High volume, highest volume. Ab agle hafte agar iske neeche gaya, to it’s a done deal.*”, pointing at 38.37 and adding “*Aur if that happens, then this is a telling, this is a story telling. Apna market top ho chuka hai. Kyonki jab market top hota hai na tabhi aise gadhe upar jaate hain. I’m serious and I wish I’m wrong.*” These statements communicate the trading position of the instructor along with the basis of the decision. It further conveys expectations regarding future performance of the stock and the basis for arriving at the conclusion based on the fundamentals of the company. Accordingly, the communication contains several characteristics which are



falling under either the IA or RA regulations. It identifies the specific security, communicates instructor's opinion concerning that security, his executed position, contains presence of a chart pattern to support the view and importantly, provides participants with a basis upon which an investment decision may be made.

103. This also directly addresses the contention that Hindustan Motors was used only to teach a hanging-man or high-wave candle and to encourage back-testing. The explanation of those concepts remains educational. However, the communication crosses that boundary when AS discloses that he has already exited 50% of his own position, links a future close below approximately ₹ 44.81 to an exit, identifies ₹ 38.37 as a decisive trigger, rules out a turnaround story and states what the event would signify for the future performance of the scrip and the market. The participants are thereby given the identified scrip, the trigger, the suggested response and the technical and fundamental reasons supporting it. Disclosure of the instructor's own executed position further reinforces the conclusion by demonstrating that he has acted on the same analysis. The conditional nature of the exit does not remove its advisory character; it specifies the event upon which the communicated course of action is to operate.

104. From 02:30:14 onwards, AS moves on with the next example of ONGC as it was also similar to PAPA page 13 set up explaining about breakdown of the wedge pattern and pointing out at high volume green candles says these are the signs of distribution, inverted hammer with high volume with a bottom which is like a double top with inverted hammer and a confirmation candle. Then at around 02:31:17 onwards says, "*ONGC yaha tak ja sakta hai, 210, possible hai, ONGC may fall upto this, 210 tak ja sakta hai*" and goes to show divergences which have been taught in the SMM module. He says that there is a low volume red candle which breaks the lows of high volume green candles at top and he is almost certain that ONGC would not go above 278 and why would one buy at 270 but immediately adds that he may go wrong with 10% chance but 90% chances are that he is right. He further says that price action is telling that ONGC is unlikely to go above 278 and extremely likely to go all the way till 210.10. These communications, when viewed holistically, shows that the instructor is providing target and resistance levels for the scrip and also providing basis for such conclusion i.e. breakdown of the wedge pattern, double top with inverted hammer, etc.



105. I have specifically considered that ONGC was selected while revising the PAPA Page 13 setup, that notes were made on multiple technical concepts, and that AS stated that he could be wrong. Those circumstances explain the educational setting and the analytical basis, but they do not erase the resulting current-scrip conclusion i.e. resistance at 278, a downside level of about 210, an express view that purchase near 270 was unwarranted, and a stated 90% probability that the view would be correct. An advisory or research opinion is inherently probabilistic; a reservation of a 10% possibility of error does not neutralise it, while the stated 90% probability in fact conveys a high degree of conviction. Nor is an imperative buy or sell command indispensable where a contemporaneous, scrip-specific target/avoidance view and the supporting analysis are communicated in a form capable of guiding the participants' decision.
106. The contention that these communications formed part of an educational discussion on PAPA Page 13 set up does not support the case of the Noticees. A concept can be taught through historical examples, hypothetical illustrations or anonymized charts. The above discussions, however, culminated in futuristic opinion about a particular security/index etc.
107. As already discussed above, the communication demonstrates educational content was imparted during the session and historical charts were being utilized as a teaching aid to explain PAPA Page 13 set up. The communications w.r.t. various examples viz., Nifty Smallcap 100 Index, Hindustan Motors, ONGC, etc. communicates future movements and a rationale underlying that view. These communications, therefore, provide the participants with both the conclusion and the reasoning supporting the conclusions. The fact that educational instruction comprised majority of the session, does not alter the character of communications which otherwise independently amount to investment advice, research analysis or research recommendations under the extant Regulations.
108. **Conclusion:** Therefore, I find that AS did not stop with explaining distribution, bearish candles, breakdown patterns or divergences. He applied those concepts to the CNX Smallcap Index, Hindustan Motors and ONGC and communicated the conclusions derived from that analysis. In the CNX Smallcap Index, AS identified 16,882 as the level beyond which any bounce was unlikely to sustain and described a movement to that level in the following week as an opportunity to sell the holdings, move into cash, clear the equity portfolio and prepare to short the market. In Hindustan Motors, AS disclosed that he had already exited 50% of his position, linked a close below approximately ₹44.81 to a further



exit and identified ₹38.37 as the level at which the bearish conclusion would become a “done deal”. The two figures represent successive stages of the stated bearish setup, the first being an exit trigger and the second a more decisive confirmation and are not inconsistent exit levels. In ONGC, AS identified ₹278 as the level above which the security was unlikely to move, questioned purchasing it around ₹270 and projected a decline to approximately ₹210–₹210.10, while assigning a 90% probability to that assessment. The relationship between these levels, together with the proposed exit, avoidance and short-selling responses, unmistakably communicated the expected future direction of the respective index and securities. Thus, the participants were supplied not merely with the analytical method but with the identified index or security, the bearish conclusion, the relevant resistance or trigger levels, the projected downside and the course of action arising from the analysis. The conditional nature of the statements, the acknowledgement of a possibility of error, the use of first-person expressions, the disclaimer and the predominantly educational character of the session do not alter the substance of these forward-looking and actionable communications.

C2.b.iv. Analysis of allegation in Table 7 (August 21, 2022 - Sunday)

Allegation:

109. AS is providing precise risk-to-reward ratios, stop-loss levels, resistance levels, and target levels for specific securities during session conducted for course participants/investors of paid course. Though he is talking about his position, it is structured to give stock specific advise using past price volume data. At some places he is also talking about action by all in a collective sense. The specifics of allegations are being discussed in the consideration.

Contention:

110. This was “SMM Full Day Main Session Day 2” conducted on a Sunday (non-market day) and disclaimer is run for the students before the session begins. Students have already gone through 12+ hours of Concept learning, online assignment and test submission before attending the Main Session.

111. Every trader / investor who learns technical analysis should know how to identify opportunities, plot support/resistance, how to analyze a chart, right time to enter, stop loss price, target price, risk-reward ratio, risk management, etc. which is taught by ASTA.



Multiple examples were solved throughout the session which includes some past dated and few most recent examples. AS interacts with students while teaching chart analysis and an excel sheet is simultaneously filled demonstrating how every trade/investment decision should be backed by proper step by step analysis. The checklist is the study material to follow, provided to the students by ASTA. Students are never given a call to action asking them to buy or sell any asset.

112. From 02:09:30, AS begins by explaining how to identify market opportunity. He demonstrates how to log data into a structured excel sheet that outlines each step of the workflow. To illustrate the process, he walks through past examples, showing exactly how to apply these steps to analyse a chart and make a definitive entry decision. Throughout the process, he actively asks questions to the students on what they see, ensuring they are following along and interpreting the charts correctly. This demonstrates a pedagogical interaction between trainer and students.
113. From 02:12:00, he explains about identifying targets on charts once a specific pattern develops (flag & pole in this case). At 02:14:23, he explains how to optimize entry points for a superior risk:reward ratio, focusing on the execution of staggered entries. He notes that these entries may not always trigger, as the market moves independently. This emphasis prepares students psychologically to accept missed trades calmly, underscoring the importance of mindset and discipline without explicitly labelling it as mind management. A total of 14 minutes were spent explaining the chart, what steps are to be checked, how to identify SL, target, etc. using a chart. At no point was advisory given, it is more of an explanation on how to prepare in advance and arrive at a decision.
114. At 02:25:10, AS starts talking about Wockhardt Pharma. He identified the stock using a volume scanner from an open source website. While looking at the huge volume, he also speaks about how the chart price has performed historically and explains how understanding this behaviour, specific to instruments, can help one be careful as it helps to understand the behaviour of that particular stock. Stocks, in general, have their own way of price movement. He speaks about a chart pattern viz. rounding bottom with a small handle-like shape. He further goes on to demonstrate how to identify targets based on the pattern identified. This is a pattern taught in the concept session for different types of “Chart Patterns” and once patterns are identified, how to identify the targets for the same.



115. At 02:26:15, he highlights that entering a trade at a specific price does not yield the desired risk:reward ratio (1:3 is the standard followed at ASTA) relative to the set target.
116. At 02:26:21, he starts following the step-by-step analysis to be performed from MACD, Candle, Volume, EMA, etc. from the check list which was being taught to follow in Level 1 (SMM) of the GEO program.
117. At 02:26:50, he explains why a 1:1 r:R ratio is unfavourable and demonstrates how securing a lower entry price can optimize the ratio to demonstrate how one should think when the r:R is not met. From 02:28:08 onwards, he moves to a smaller time-frame chart to showcase how one can take entry using a Stop-Loss BUY order without being in front of the system. This is to demonstrate that it is not needed to be in front of the screen always to take an entry in case of resistance breakouts. The entire example demonstrates how a scanner can help identify stocks where there's potential opportunity, once identified how to perform analysis, how to identify SL, target, r:R, etc. and how to not chase just because the price is going up, always follow the r:R ratio also, and how Stop Loss orders can be used in breakout scenarios for entry.
118. At 02:29:54, AS identifies the stock Vardhaman Textiles using a volume scanner from an open source website and then starts analyzing the chart. Using the chart as an example, he shows how the stock has done a breakout, what pattern is found on the chart (Flag & pole in this example). At 02:30:35, he mentions keeping an observation on this stock to see how the study unfolds. After this he takes the steps that are followed when analysis is done. He also shows how the target is identified using the pattern, how stop loss is identified using the concept of breakout candle as taught in Level 1 - SMM and how to check r:R ratio. There is no point where he asks students to buy this particular stock and hence, there is no advisory given. Noticees have submitted the transcript of this session.

Consideration

119. I have considered the aforesaid communications.

Education:

120. I note that the session commenced at 00:06:59 onwards with questions from the participants and doubts solving by the monitors, *inter-alia*, including entry and exit criteria, stop loss, flag and pole pattern, etc. with an example of Reliance from around 00:44:19



onwards. I also note that, at around 00:35:43 onwards, the monitors emphasize on back testing of concepts and caution them that focus on live market may lead to confusion. This is followed by comprehensive teaching by AS which involves multiple examples such as IRCTC (daily wave - July 29 & hourly wave - August 08, 2022), ICICI Bank (weekly wave – July 10, 2022) and USD INR (daily wave – March 02, 2020) and simultaneously filling the checklist. This is followed by comprehensive teaching about various other concepts using USD/INR example, which *inter alia* includes need for margin, margin account, sources of margin, cost of margin, types of margin – SPAN and exposure margin, etc. and asks the participants to apply study in USD by using hourly as a wave, 15 minute as a wave, etc. He also discusses his trade in 2017/2018 wherein he expected a breakout and demonstrates his study by using various indicators such as C-V-E-Cp, candlesticks, moving average, crossover, stop loss, etc. before moving on to the next example till 02:08:30 saying application of this structure to the GBP INR example.

121. The communications, during this portion of the session, did not contain any opinion regarding the future performance of any of the discussed scrip, any suggested course of action in the scrip, or any recommendation to buy, sell or hold the security. Accordingly, I am of the view that this portion of the session bears the character of educational activity. The communication demonstrates the educational elements in the session.

Advisory:

122. I note the session happened on August 21, 2022. In respect of GBP INR, at around 02:09:30, he says “*Monday ke liye trades dekh raha hoon, haan*”. He starts filling the checklist with the price at 94.5083, double screen decision as SELL-Bear Hat and admits few participants as volunteers to interact and asks to identify candlestick, whether EMA shows negative crossover, chart pattern, etc. and says that if you wish to see target of a flag, then width of the flag should be seen and shows target as 91.91 extrapolating it on the chart. He then goes on to ask the participants based on the study which tool would be taken –long or short, to which, participants respond as short at around 02:13:40. Then he says at 02:13:48 that “*yaha pe entry lenge*”, “*stop loss kya rahega, iske upar*” – pointing at the specific price target.
123. He points on the chart and says “risk to reward hai, 1.33” and asks the participants whether it is good risk to reward and moves to a different entry at 94.8442 where risk to



reward is 3.22 and says “*To 94.84 ki entry daal ke chhod dunga. Mila to theek hai nahi to nahi.*”

124. This is followed by explanation by AS on the dilemma faced by participants regarding taking entries and the concept of staggered entries, short cover up using hypothetical target, mark to market, margin calls, etc. and shows margins for different currency pairs.
125. I note the conclusion concerning GBP/INR does not rest on a mere possibility that participants may copy the setup. Here, AS expressly states that he is examining trades for Monday, records the current price, marks the decision as SELL, derives the target of 91.91, asks whether the tool should be long or short, identifies the entry and stop-loss, compares risk-reward ratios and selects 94.8442 as the entry which he would place and leave pending. The checklist may teach the method, but the completed output is a definite, forward-looking trading setup capable of being acted upon. The fact that the session was held on a Sunday does not neutralise the communication; the express reference to Monday and to placing the entry order connects the analysis to the next trading session.
126. I now move on to the next example of a security being discussed by AS during the session. I note that AS moves on to explain about volume shockers (stocks with rising volume) on screener tab on the website chartlink.com to show application of study on the stocks available on the screener. He chooses the first stock which was shown on the screener i.e. Wockhardt Limited and said due to time constraint only one example would be studied.
127. He checks the chart and says that a big candle was formed with a huge volume a day before the session. Pointing out at the historical price movement, he says that there may not be follow up even with such big volume and one has to be cautious. He then plots the rectangle on the chart for July 2022 period before he says “*target kya rahega*” and extrapolates it to the live date and says that “*ye target hai which is major resistance also*” indicating a specific target on the chart.
128. Thereafter, he says that the risk to reward ratio is not so good and checks weekly, monthly and daily MACD indicators and applies C-V-E-Cp in daily timeframe i.e. green candlestick, volume heavy, positive moving average, rounding bottom like chart pattern



with a small handle area and says that this is the first target which is a major resistance also which doesn't fit into risk:reward criteria.

129. He then asks what would be the stop loss and says *“stop loss yaha ayega”* at around 02:27:31 and point to the specific price point and justifies by saying that there has been a breakout.

130. He further says *“Supposing yaha main leta hoon. Ye mera stop loss. Ye resistance. Aur ye target. So just 1:1 ka risk to reward. Agar mujhe entry neeche mili hai to theek hai.”*
“Yahan tak entry mili to theek hai. Otherwise chhod doonga. Koi zaroorat nahi hai lene ki. So 251 ki entry mili to zaroor buy karunga.”

131. Thereafter, he goes to analyse intraday movement to see how the candle was formed. He then explains with a hypothetical example to teach about stop loss buy order and emphasizes this can happen with prior study.

132. I note that concepts such as stop-loss, buy orders and the importance of analysis are being taught. However, the communication does not stop at explaining these concepts. AS applies various indicators, including green candlestick, heavy volume, positive moving average and rounding-bottom chart pattern, to an identified security and, on that basis, communicates the price level at which a trade may be taken, while also identifying the relevant resistance level. Thus, the communication contains both the analytical reasoning and the resulting trading view since the analysis culminates in an identifiable trading decision capable of being acted upon.

133. The communication w.r.t. Wockhardt squarely concerns an identified security selected from a current scanner, applies contemporaneous price-volume and technical indicators, fixes the target/resistance and stop-loss, and culminates in the statement that AS would certainly buy if an entry at 251 became available. The words *‘zaroor buy karunga’* are an express buy recommendation tied to a specified trigger. Describing the decision in the first person does not change its objective character when the complete analytical basis and the level for taking the trade are communicated to participants. The historical chart is used only



to derive and explain the current setup; the conclusion is extrapolated to the live date and is therefore not confined to historical education.

134. He then moves on to the next example of Vardhman Textiles at around 02:29:53 onwards and shows that there has been a breakout, there is a flag pattern and asks them to observe in the coming days. He then checks monthly, weekly and daily MACD and analyses historical price movement which shows 62% retracement between 2020 to 2022 and says that we will observe this cautiously. He then choose a price range between June 20, 2022 to August 02, 2022 on the chart and extrapolates it to the current date and indicating the target at a price of around 400 and also shows risk to reward which is around 3.18 and says “*you get a better entry its even better, ye iske neeche Stop Loss. Ye breakout hua hai na, iske neeche Stop loss.*” He further says that the stock may be observed to see what happens.

135. The same conclusion follows for Vardhman Textiles even though AS also asks the participants to observe the stock. AS analyses the security using monthly, weekly and daily MACD indicators and thereafter specifies a target and stop-loss. The communication is in respect of an identified security and communicates a current breakout, a target of approximately 400, a stop-loss below the breakout, a risk-reward ratio of about 3.18 and the advantage of obtaining a better entry. Giving a price target is itself one of the specifically enumerated functions of a research analyst; the presence of a separate command to buy is not necessary. The direction to observe cautiously qualifies the degree of immediacy, but does not withdraw the security-specific target, stop-loss and entry view already communicated.

136. Finally, the contention that no call to action was given is contradicted by the GBP/INR statement that an entry at 94.8442 would be placed and by the Wockhardt statement that AS would certainly buy at 251; in Vardhman, the communicated price target independently attracts the regulatory prohibition even without an express buy instruction.

137. I accept the Noticees’ contention that investors and traders must learn to identify opportunities, plot support and resistance, analyse charts, time entries and exits, and



manage risk through stop-loss and target levels. I also accept that Noticee No. 2 taught these concepts through historical illustrations and a step-by-step checklist. However, I must determine the character of each communication from its content. Where the exercise culminates in a present view on an identified security, accompanied by an entry, target, stop-loss, resistance level or risk-reward assessment, the resulting communication is separable from the underlying teaching.

138. I note the historical illustrations involving IRCTC, ICICI Bank and USD/INR as educational because they end with the method, past behaviour or a practice exercise, without communicating a present security-specific conclusion. In contrast, the GBP/INR, Wockhardt and Vardhman Textiles examples apply the same method to then-current opportunities and communicate the resulting direction, entry, target, stop-loss or risk-reward outcome.
139. I also accept that selection of a scrip through an open-source scanner may show that it was not pre-planned, but a recommendation can be formed and communicated spontaneously after analysis.
140. **Conclusion:** Therefore, I find that the discussion concerning GBP/INR, Wockhardt Limited and Vardhman Textiles did not stop with teaching the use of charts, technical indicators or the checklist. In GBP/INR, AS recorded the prevailing price at 94.5083, marked the decision as “SELL–Bear Hat”, projected a downside target of 91.91, identified the position as short, compared risk-reward ratios of 1.33 and 3.22 and selected 94.8442 as the entry which he would place for Monday, together with a stop-loss above the identified level. In Wockhardt, AS applied the green candlestick, heavy volume, positive moving average and rounding-bottom formation to a stock selected from the current scanner, identified the target/resistance and stop-loss, assessed the risk-reward at about 1:1 and stated that he would “certainly buy” if an entry at ₹251 became available. In Vardhman Textiles, the identified breakout and flag formation were translated into a target of approximately ₹400, a stop-loss below the breakout and a risk-reward ratio of about 3.18, with an indication that a lower entry would improve the trade. The relationship between the entry, stop-loss and target figures itself communicated the anticipated future direction: downward in GBP/INR and upward in Wockhardt and Vardhman Textiles. Thus, the historical data and analytical concepts were used as the basis for present, instrument-



specific conclusions capable of guiding a trading decision. Accordingly, these communications provided participants with the identified instrument or security, expected direction, entry, target, stop-loss and risk-reward assessment which can guide a trading decision.

C2.b.v. Analysis of allegation in Table 8 (June 06, 2021 - Sunday)

Allegation:

141. AS is providing trading setup, target level, return on investment, stop-loss level, risk and reward in specific securities during session conducted for participants of paid course. Though he is telling what position he is taking but the way he is giving future prediction as to what will be the price on next trading day, he is giving stock specific advice using past price volume data. At some places he is also talking about himself and course participants/investors collectively taking position/target.

Contention:

142. This is the PAPA Full Day Main session Day 2 conducted on a Sunday (non-market day) where students are taught about analysis of a chart without the help of indicators and how to follow the decision checklist of PAPA step-by-step and a disclaimer was run before the session began. Students attending the session, have already undergone 10+ hours of training and the purpose of Main Session is to train students on analyzing a chart in a sequential manner using the concepts already learnt.

143. Throughout the duration from 01:30:08 - 01:59:46, AS using example of Reliance, *inter-alia*, demonstrates following 'time the entry' - a topic taught in Level 2 –PAPA, view building on a chart, prepare to enter using stop loss buy order or using alert, identification of shakeout before the actual breakout, identification of stop loss and target, etc. Further, he speaks only about his trades and not trade by any group as such.

144. From 01:42:00, he mentions about buying the stock if it falls further as the final target, as per analysis, is yet to be reached and shows how even after exit before target one can still look for opportunities to buy and ride the rally until target is achieved and also explaining rationale for decision to buy 2200 CE due to lesser risk and better returns and how he traded in Reliance options based on the same analysis.

145. At no point in the entire duration of the video does AS open the chart - shows entry, SL, target nor asks students to take a trade in Reliance. Majority of the time is spent on the



explanation of “WHY” a specific decision is taken and “HOW” to arrive at those decisions by following certain steps.

146. ASTA believes in the power of collective and always uses the collective nouns such as “we” or “hum” while addressing students. Participants were never instructed to place orders, nor was any execution verified or encouraged.

Consideration:

147. I have examined the aforesaid submission and the contents of the communication.

Education:

148. I note that the session commenced at around 00:06:35 with one of the participants giving a feedback about confusion in concepts post the sessions and monitors asks them to practice with more examples and to make own notes. This was followed by doubt solving of few other participants and some of these doubts were related to the examples discussed by AS in the previous sessions about rationale for the same which went on till around 00:49:10.
149. Thereafter, AS joins the session and starts at 00:52:12 with concepts related to shakeout or fake breakout setup with example of NMDC. He shows a fake breakdown in 2020 and introduces a condition for a fake breakdown i.e. no shakeout before breakdown. Consequently, to show shakeout before breakdown, he takes an example of Wockhardt Pharma and talks about his actual trade in around 2018 and introduces 3 high probability set ups of PAPA and explains these for momentum as well as swing traders while simultaneously filling the checklist during the session.
150. At around 01:01:42, he asks for 5 to 6 female participants to check their understanding in identification of a trade as a momentum or a swing trade and also asks follow up questions while simultaneously filling the checklist in an excel sheet which continues upto around 01:27:35.
151. The communications, during this portion of the session, did not contain any opinion regarding the future performance of any of the discussed scrip, any suggested course of action in the scrip, or any recommendation to buy, sell or hold the security. Accordingly, I am of the view that this portion of the session bears the character of educational activity. The communication demonstrates that educational content was imparted during the session



and that the historical charts were being utilised as a teaching aid for explaining the concepts.

Advisory:

152. AS subsequently moves to another example commencing at around 01:27:36 with an analysis of the price-volume chart of Reliance Industries Limited. While drawing a channel on the chart, AS asked the participants, at 01:30:15 “*Yahan tak ja sakta hai ki nahi?*” and thereafter stated, “*This can be your target*” at around 01:30:21. The discussion therefore did not remain confined to explaining how a channel is drawn. The analytical exercise was immediately applied by him to an identified security and translated into a projected price objective.
153. The discussion proceeded further at 01:41:54. While continuing the analysis of Reliance Industries Limited, wherein AS stated that “*Thoda sa aur girega na, agar Monday ko thoda sa aur girega na toh aur who neecha aayega. Neeche aayega toh aur lunga mein. Lekin iss bar mein 2200 ka Call lunga... Us mein meri risk aur bhi kam rahegi and mera return on investment would be much more... Mera target hai 2300 ka.*”
154. He further states at 01:42:23 “*So if I get that call at about ₹50, then I will again buy... then almost 100% ROI mujhe lag raha hai*”. The communication at this stage went considerably beyond explaining analytical concepts. The discussion identified a specific derivative instrument, namely the 2200 call option, the circumstances in which it would be purchased, the target level of 2300, the expected risk-reward profile and the anticipated return from the proposed position. Thus, the communication conveyed not merely an analytical process but also the conclusion emerging from that process.
155. The communication became still more specific at 01:47:27. AS stated: “*Ab main chahta hun ki mujhe entry mille 2154.35. Agar Monday ko yahan aayega na toh bhar bhar ke uttane vaala hun, if I get this level.*”
156. He thereafter explained 01:47:35 onwards that “*Toh main buy karunga. Wahan pe buy karunga swing ke liye. BKP ke liye.*” Further, while discussing possible downside movement, AS stated at 01:48:04 “*Yahan pe mujhe agar koi bhi bullish candle milti hai, I will buy with a stop loss below that, samajh mein aa raha?*”. The communication therefore



identified the level at which entry was being sought, the conditions upon which the trade would be initiated and the manner in which downside risk would be managed. The discussion was no longer limited to teaching how entry and stop loss may generally be identified. Specific entry conditions and trading responses in respect of Reliance Industries Limited were being communicated.

157. At 01:55:51, AS proceeded to identify specific target levels and stated that “*Pehla target toh yeh rahega... 2367.10*” Thereafter, while discussing a breakout above the identified resistance level, he stated at 01:56:33: “*So target can be 2500. That is the next target provided that this resistance also breaks*” The discussion thus identified both an initial and an extended upside objective for the security.
158. The same portion of the communication also dealt extensively with stop loss levels. AS first stated that the low of the breakout candle could serve as the stop loss and thereafter discussed alternative stop loss levels, including 2145, 2086 and 2104. Subsequently at 01:58:02, he stated: “*2157 can be a good stop loss. Agar conservative ho toh 2157 ya 2150 rakh do*”. Thus, the communication did not merely explain the concept of stop loss. It identified specific stop loss levels for the contemplated trade in Reliance Industries Limited.
159. I have also considered that, at around 01:57:55, a participant corrected AS and he revised the stop-loss after acknowledging the observation. This supports the Noticees’ contention that the checklist exercise was interactive and had a pedagogical component. It does not, however, neutralise the recommendatory output. The interaction culminated in AS adopting and communicating a revised scrip-specific stop-loss, thereby making the completed trading proposition more precise and capable of implementation.
160. Further, after discussing entry, target and stop loss, the conclusions were entered into an excel sheet. Thereafter, AS expressly stated at 01:59:25: “*But trade decision will be buy. Toh main karunga calls.*” He further stated at 01:59:34: “*So I will be looking to buy call, call options*”.
161. The communication therefore culminated in an express trading decision. The analysis did not remain open-ended or leave the conclusion to the independent assessment of the participants. Rather, the analytical exercise by AS concluded with a stated market view, an



identified instrument through which exposure would be taken and a clear directional decision.

162. When viewed chronologically, the communication developed each constituent element of a complete trading proposition. It commenced with identification of a potential price objective, proceeded to discuss the anticipated future movement of the security, identified the derivative instrument through which exposure would be taken, specified the level at which entry was sought, identified stop loss levels, projected target levels, evaluated the anticipated return from the proposed position and ultimately culminated in an express buy decision.
163. Accordingly, the communication between 01:30:08 and 01:59:46 cannot be viewed as consisting merely of isolated references to chart analysis. The communication, viewed in its entirety, conveyed a comprehensive stock-specific market view in respect of Reliance Industries Limited.
164. Proof that any participant actually executed the trade is not an element of the definition. The relevant question is whether the communication supplied a recommendation or opinion and a basis capable of guiding the investment decision.
165. The submissions of the Noticees, *inter alia*, that the trainer explained why the conclusions were reached and how the analytical process should be performed, proceed on an assumption that a communication ceases to become advisory merely because the trainer explains the reasoning underlying the conclusion. In practice, market views are seldom communicated without supporting analysis. Indeed, the persuasive force of a recommendation frequently arises from the reasoning accompanying it. If the mere existence of explanation were sufficient to render a communication educational, every reasoned recommendation could be characterized as a teaching exercise. The distinction lies not in whether reasons are provided, but in whether the communication stops with teaching analytical principles or proceeds further to communicate the conclusion produced by the application of those principles by the speaker.
166. A person may explain how channels are drawn, how support and resistance levels are identified, how stop losses are determined, how targets are projected, how risk-reward is assessed and how market structure is interpreted. Such communication remains educational because the recipient is merely being equipped with analytical tools. However, once those tools are applied to a specific identified security by the speaker and the communication by



the speaker proceeds to identify where entry should be considered, where stop loss may be placed, where targets may lie, what instrument may be purchased, what return may be expected and whether the security should be bought, the communication by the speaker cannot be education but have the features of research analysis and investment recommendation.

167. This also explains why the use of the same checklist produces different conclusions without inconsistency. Filling the checklist remains educational while it is used to demonstrate how a recipient should examine a chart and independently arrive at a view. It acquires a distinct advisory/research-recommendatory character when the instructor completes the checklist for a current identified security and communicates his own conclusive answer including the future direction, entry, instrument, targets, stop-loss and buy decision.
168. At 01:30:21, the analysis did not stop with demonstrating how a channel may be drawn. It culminated in the statement, “*This can be your target.*” Thus, the analytical process was translated into a projected price target for Reliance Industries Limited.
169. At 01:42:08, AS identifies the precise instrument through which the anticipated movement could be monetised, namely the 2200 call option. He states that his target was 2300 and further expresses the view that the trade could potentially generate almost 100% return on investment. Consequently, the communication entered the realm of stock selection, expected price movement and anticipated return.
170. AS identifies further at 01:47:27, the level at which he intended to enter, namely around 2152, and stated that if the price reached that level on Monday, he would buy. He further explained that he would buy upon the emergence of a bullish signal and would maintain a stop loss below the relevant candle. At around 01:55:50, AS identified specific target levels of 2367 and 2500. During the same discussion, he identifies multiple stop loss levels including 2145, 2086, 2104, 2157 and 2150. The communication therefore addressed each component necessary for implementation of the contemplated trade.
171. Finally, after discussing entry, stop loss and target, the conclusions were entered into an excel sheet. Thereafter, AS expressly stated at 01:59:25 that the “*trade decision will be buy*” and that he would be looking to purchase call options communicating a definitive buy conclusion.



172. The Noticees have further submitted that AS was referring only to his own trade and not directing participants to trade. I note the substance of a communication cannot be determined by the grammatical form in which it is expressed. A communication does not cease to convey a market view merely because it is framed as “*I will buy*” instead of “*You should buy*”. What matters is whether the audience is informed of the trainer’s conclusion regarding a specific security after application of a stated methodology by himself. The repeated statements regarding intended entry, intended purchase, intended targets, intended stop losses and expected returns clearly conveyed that conclusion.
173. The further reliance on collective expressions such as ‘we’ or ‘hum’ does not change this conclusion. Whether the speaker uses the first person singular, a collective pronoun or a second-person imperative is a matter of grammatical form. In each case, the audience receives the same speaker-derived view on Reliance after the stated analytical methodology is applied. Equally, the absence of verified execution, encouragement to place an order or evidence of group trading does not erase the research recommendation already communicated; actual recipient action is a possible consequence of the recommendation, not a constituent element required to characterise it.
174. The Sunday timing also affects only immediate execution: the repeated reference to what AS would do if the level was reached on Monday expressly connects the view to the next market session.
175. The communication also cannot be characterized as a mere discussion of historical market events. Historical price behaviour was examined for the purpose of arriving at an expectation regarding future market behaviour.
176. **Conclusion:** On a cumulative consideration of the aforesaid communications, I find that AS did not stop with explaining how channels, entry levels, targets and stop-losses are identified. He applied those concepts to Reliance Industries Limited and communicated the completed outcome of that analysis. AS identified the 2200 call option as the instrument through which the anticipated upward movement could be traded, contemplated purchasing it at about ₹50, indicated an entry in the underlying security at approximately ₹2,152/₹2,154.35 if that level became available on Monday, and projected an almost 100% return on investment. He referred at different stages to upside objectives of ₹2,300 and ₹2,367.10 and, subject to a further resistance breakout, an extended target of ₹2,500.



Similarly, the references to ₹2,145, ₹2,086, ₹2,104, ₹2,157 and ₹2,150 are properly understood as alternative or progressively considered stop-loss levels during the interactive checklist exercise, rather than as simultaneously operative levels. The several figures, viewed chronologically, disclosed the intended entry, the derivative instrument, the expected upward movement, the projected return, the downside-control levels and the initial as well as conditional extended targets. The exercise ultimately culminated in the express statement that the “trade decision will be buy” and that AS would purchase call options. Thus, the participants were provided not merely with the method of analysis but with a complete, security-specific and forward-looking trading proposition capable of being evaluated and acted upon.

C2.b.vi. Analysis of allegation in Table 9 (December 17, 2024 - Tuesday)

Allegation:

177. AS is providing stop loss level, target level and entry price in specific security during live session conducted for course participants/investors of paid course.

Contention:

178. The impugned communication has been viewed in isolation without considering the context in which it occurred.

179. The session was the 12th session of GEO+ Batch 05 conducted on December 17, 2024 as part of a pre-scheduled course curriculum. The participants attending the session had already completed around 230 hours of GEO programme comprising theory sessions, concept sessions and revision sessions. According to the Noticees, the session was a live market training session and not a trading session.

180. A disclaimer was played at the commencement of the session clarifying that ASTA is a training institute, does not provide advisory services or stock tips and that all decisions taken by participants are solely their responsibility.

181. The purpose of the session was to demonstrate practical application of concepts already taught during the course and to help participants understand the execution aspect of technical analysis. According to the Noticees, the securities discussed during the session were not predetermined and were used only as illustrations for explaining concepts.

182. The discussion commenced with open interest analysis, put writing, call writing and market structure discussion, followed by Natural Gas analysis at around 00:06:37. It is



contended that participants actively participated by discussing concepts such as retracement levels, RSI divergence, double-bottom formations and VWAP.

183. The impugned communication arose in the context of explaining option strategies and risk management. According to them, when Noticee No. 2 stated “*ye stop loss rakhunga... ye spread karunga*”, the objective was to demonstrate how a naked option position could be converted into a spread position so as to reduce risk, reduce cost and improve the risk-reward ratio.

184. No instruction was issued to participants to enter any trade and that the discussion merely illustrated the application of risk-management principles in an option strategy.

185. The Noticees have also relied upon the back-testing exercise conducted between 00:27:20 and 00:48:41 and discussions relating to study process, risk management, money management and trading discipline, including the discussion between 01:53:19 and 01:57:47. According to the Noticees, the session as a whole was devoted to educational activities such as back-testing, what-if analysis, view building, risk management and participant interaction.

186. The impugned communication occupied only a brief portion of a session (for 1 minute out of more than 2 hrs and 30 mins of teaching session) and therefore ought to be viewed in the context of the session as a whole. According to them, the communication formed part of an educational demonstration intended to teach application of concepts and risk-management techniques and cannot be characterized as investment advice, research recommendation or a trading call.

Consideration:

187. I have considered the submissions of the Noticees.

Education:

188. I acknowledge, substantial educational activity took place during the session. For instance, at 00:27:20 onwards, Noticee No. 2 conducted back-testing and discussions relating to Natural Gas where participants analyzed completed chart structures using concepts such as double bottom, RSI support, Bollinger Bands and fake breakdowns. Thereafter discussions were held regarding trade journals, execution discipline and risk management. These portions support the contention that educational activity was taking



place in the session. I note that the words ‘00:27:20 onwards’ here must be understood as referring to the identified educational portions and not as declaring every subsequent communication educational irrespective of its content.

Advisory:

189. I note the session happened on December 17, 2024 (Tuesday). Further I note that the session commenced at 00:00:36 with the senior monitor posing the question “*Kya lag raha hai market bottom ho gaya?*” Participants thereafter discussed retracement levels, mother candle formations and support zones. At around 00:03:03, AS says, “*PUT me na abhi 400 ke PUT me writing chalu hai*”. The discussion that followed involved references to triple divergence, double bottom formation and possible short covering. Thus, from the very beginning, live market information was being analyzed for the purpose of understanding the prevailing market condition and for assessing what may happen next in future.
190. Further, at around 00:04:53 onwards, AS states that “*15 minutes mein agar Heikin Ashi confirmation deta hai na iske neeche to vo HS setup ho jayega... abhi bhi double top hai... 15 minute pe double top ka reversal agar deta hai to bhi chalega, so there could be reversal pattern here.*” When a participant referred to the 50 MA, AS responded saying “*shaam ko na ek confirmation candle milegi. Generally, milti hai*”. These communications were not merely explaining what a Heikin Ashi candle, double top or confirmation candle means. Those concepts were being applied to a live market situation for the purpose of assessing the likely future direction of the instrument. The communication becomes relevant at around 00:05:48 when AS analyzes live option-chain data and states “*400 ke put mein writing hai...*” and “*400 ka call? Ismein heavy writing hai... 114 crore aur ye 124 crore. There is huge writing*”. He thereafter directs participants to calculate and examine the put-call ratio. The communication was, therefore, not confined to explaining the concept of open interest. The live data was being examined for the purpose of arriving at an assessment regarding the prevailing market condition. Historical data can be used to explain concepts of put writing, call writing or put-call ratio. However, when live market information is analyzed to derive a conclusion regarding likely future market behaviour, the communication enters the prohibitive domain.



191. It is relevant to note the communication which occurs at 00:07:09 when AS states, “*I think it's way too oversold now.*” This statement indicates that it is regarding the prevailing market condition of the security. AS thereafter, proceeds to state “*Chalo, main thoda sa na abhi buying karunga*”. He thereafter continues as “*Aaj ka low kya hai? 106 ka low hai... I am buying this call*”. and further states “*106 will be the stop loss... actually I will keep a stop loss of 100*”. Thereafter he adds, “*A stop loss of ₹15 is okay*”. and finally states, “*And then I will do a spread. Meaning I will do a spread of 200 with this.*”
192. The three expressions ‘*106 will be the stop loss*’, ‘*actually I will keep a stop loss of 100*’ and ‘*a stop loss of ₹ 15 is okay*’ should be recorded as an evolving risk discussion, not as three simultaneously operative stop-loss levels. The sequence remains recommendatory because AS did not merely define stop-loss; he applied a quantified risk limit to the call option he stated he was buying. Further, the first-person form – ‘*I am buying this call*’ - does not reduce the communication to an irrelevant disclosure of personal conduct. It was a contemporaneous, reasoned demonstration to course participants of the instrument selected and the manner in which the live trade would be entered and controlled, thereby supplying a model capable of replication.
193. From the chain of communications, I note that AS first analyses live market data. He thereafter arrives at the conclusion that the NIFTY 24,400 CE is oversold. After forming such conclusion, he communicates that he would buy. He then identifies the instrument, specifies the stop-loss level, specifies the acceptable risk and communicates the structure through which the position would be established.
194. Therefore, the communication by AS contains all the essential elements of an actionable market view. It identifies the opportunity, explains the basis on which the opportunity has been identified and communicates the manner in which the opportunity may be acted upon.
195. The Noticees have contended that the purpose of the discussion was only to teach risk management and demonstrate how a bull call spread reduces risk as compared to a naked option position. I agree that risk management was discussed. However, what is relevant is that the concept of spread trading, stop-loss placement, position sizing and risk management can be taught through historical charts, anonymized market data, completed chart structures or simulated examples. That permits participants to understand the methodology without getting into the prohibited domain.



196. In the instant case, historical data was not being examined merely to explain how a bull call spread operates. Live data was analyzed, a conclusion was drawn that the instrument was oversold, a buying decision was communicated, a stop-loss level was prescribed. The communication therefore crossed the stage of explaining methodology and entered the stage of communicating an actionable market view which is prohibited.
197. Further, the existence of educational activity in the session does not alter the character of the impugned communication occurring at 00:07:09 onwards. A communication may occur in an educational environment and yet enter the prohibited sphere if it communicates a view regarding future market behaviour together with a corresponding course of action in relation to a specific market instrument.
198. The contention that no participant was expressly instructed to trade is also not determinative. Regulation 2(1)(wa) of RA Regulations covers a recommendation or trading call; it does not require the grammatical form of a command, proof of execution by a recipient or a personalized direction. Indeed, Regulation 2(1)(zc) of RA Regulations expressly includes recommendations that are not personalized or investor-specific. AS' first-person buying statement, when coupled with the identified contract, simultaneous reasons, stop-loss and spread structure, communicates the speaker's completed market conclusion to the group even without the words 'you should buy'.
199. **Conclusion:** On a cumulative consideration of the aforesaid communications, I find that AS did not merely explain the concepts of option-chain analysis, stop-loss placement or spread trading. After analysing the live market data, AS identified the NIFTY 24,400 CE, expressed the view that it was "*way too oversold*" and stated, "*I am buying this call*". He referred to the prevailing low of ₹106, initially mentioned ₹106 as the stop-loss, thereafter referred to ₹100 and separately stated that a risk of ₹15 was acceptable, before proposing "*a spread of 200*". These figures are appropriately understood as part of an evolving discussion on controlling the downside of the proposed trade, and not as three simultaneously operative stop-loss levels. Nevertheless, these communications, together with the identification of the contract, the assessment that it was oversold and the stated decision to buy, conveyed a clear forward-looking view that the call option was expected to appreciate. Thus, AS ultimately provided the participants with the selected instrument, the proposed transaction, the reasoning supporting it, the downside-control levels, the



quantified risk and the structure through which the position could be taken. These trading inputs were capable of enabling participants to evaluate or replicate the trade.

C2.b.vii. Analysis of allegation in Table 10 (December 14, 2023 - Thursday)

Allegation:

200. AS is providing expected directional movement, support level, stop-loss, and target in specific security during live session conducted for course participants/investors of paid course. At places he gives advice to course participants/investors as to what to do.

Contention:

201. The session of GEO+ live training wherein the participants have already undergone 230+ hours of training in GEO and many hours of training in GEO+ session and disclaimer is also run at the beginning of the session.

202. At 01:11:30, AS spots a Mother Candle and shows the same to participants stating that it could be a possible break-out candle. The session focuses on identifying opportunities in the market and execution of trades when such opportunities are identified. During the session, AS talks about his existing positions and what was the basis of his decision making on the chart.

203. At the alleged time between 01:24:45 to 01:24:48, AS placed a sell order on existing position. At 01:11:45, he mentions that he was already bullish on it and shows about price breaking the sideways trend. From the time of spotting IDFC First Bank to moving to a different chart i.e. from 01:11:10 - 01:13:00, he never mentions about the entry price, the SL, or target and asks students to buy except for mentioning about his long position once.

204. At 01:13:45, he clarifies that one should not buy just because he is saying it referring to a breakout in SAIL. There was no call to action asking students to enter, instead it is informed to them to enter into any trade when explanation is going on.

Consideration:

205. I have considered the submissions of the Noticees.

Education:

206. I note the session starts with an interactive Q&A with the participants around 00:10:42 to 00:21:25. AS joins the sessions and somewhere between 00:21:30 to 00:43:39, briefs the participants to use ratio charts for stock selection and various set-ups taught in the course w.r.t. identification of opportunity. He also reiterates the importance of filing trade log. The



participants share feedback that the study and set-ups taught in ASTA have improved their trading and changed their perspective to look at the market.

Advisory:

207. I further note that the session was conducted on December 14, 2023 (Thursday). With regard to the Noticees argument that the communications demonstrate how a trained analyst approaches market data, evaluates competing possibilities and develops an independent market view, I note the fact that conclusion reached through technical analysis does not alter the character of the communication. A communication does not cease to be an opinion concerning a security merely because the reasoning leading to that opinion is also explained.
208. I note one of the communications relied upon in the allegation relates to IDFC First Bank. The relevant discussion occurs between approximately between 00:47:40 and 00:48:46. At the outset, AS identifies IDFC First Bank as one of his existing positions and states, *“RBL Bank is, I'm long. IDFC first.”*
209. AS thereafter proceeds to explain his view regarding the security and states, *“See, yeh jo candle aayi thi na, uske baad it was unlikely to fall below 86. Okay? Toh all these dips I was buying. Jo bhi dip aata hai, buy karo, iske neeche stop loss hai”*. He further states, *“So, abhi zyadatar chances hai upar mein breakout hone ke liye. To long karke baithna hai”*. Thereafter, while explaining the basis of his position, AS discloses, *“So I bought calls. IDFC First ke 85 ke calls maine buy kiye”*.
210. The Noticees have contended that session was intended to demonstrate the practical application of concepts taught during the course. A careful reading of the communication shows that it is not confined to explaining a concept of support, resistance, volatility contraction or breakout formation. The analytical process had already been completed and what was thereafter communicated by AS was the conclusion arrived at from that analysis.
211. The communication first conveys an expectation regarding future price behaviour by stating that the price was unlikely to fall below ₹ 86. It further identifies a risk-management level by stating that the stop-loss lay below that level. It thereafter expresses an expectation that the greater probability was of an upward breakout. Having communicated such expectation, AS proceeds to state the course of action that ought to be adopted, namely,



going long. The communication is then reinforced by the disclosure that AS himself had purchased 85 call options in the same security.

212. Thus, the communication contains all the essential elements of a market view concerning a specific security, namely - an identified security, an opinion regarding future price movement, a support level, a stop-loss level, an expectation regarding breakout, a preferred market position, and disclosure of AS' own trading position based on that view.
213. The defence that the communication was made while teaching technical analysis does not answer these aspects. A person teaching technical analysis may explain how support levels are identified, how breakouts are recognized or how stop-loss levels are determined. However, the communication under consideration does not stop at explaining methodology. It applies the methodology to a specific security and communicates the conclusion that the security was likely to remain above a specified level, that an upward breakout was more probable and that a long position should be maintained.
214. Viewed in its entirety, the communication concerning IDFC First Bank cannot be considered as mere explanation of analytical concepts and communicates a specific market view regarding the future behaviour of an identified security together with the corresponding course of action considered appropriate by AS.
215. Another set of communications relied upon in the allegation relates to Nifty. The discussion relevant to the allegations occurs between approximately 00:17:02 and 00:18:55 when AS analyses the prevailing market conditions and communicates his views regarding the likely future movement of the index. While discussing Nifty, AS states, "*Nifty can be a gap up big time*". He thereafter states, "*Aur kal actually perfect time tha buy karne ka kyunki Nifty ne ek dip diya tha aur aise aise market mein dip koi bhi dip na just welcome it yaar*", adding further that, "*These are just my observations*".
216. Thereafter, while discussing a particular setup, AS states, "*So when Bandit Challenge, it's a strong momentum, any dip was a buy*" at around 00:18:17. The communication then proceeds further with "*15 minute mein M minus aata hai. It is a no brainer, you have to buy.*" He further states, "*So yesterday was a great time. Ye saare setups tumko sikhaye gaye hain. MMS M minus kaise hota hai. So 15 minute M minus was a great opportunity to buy and today it is going to gap up*".



217. Around 00:47:21, AS suggesting target for Nifty 50 using live data/chart, “ *target kitna aayega, 1.27 times dekhte hai hum kitna hota hai yaha se, ye yaha se yaha tak, phir ye.....wo 18 rupay tak hi jayega... 18-19 rupees ka target dikhta hai.*”
218. Regarding the above scrips, the Noticees have contended that the session was intended to teach technical concepts and that the impugned observations were made only in the course of demonstrating the practical application of concepts taught during earlier modules.
219. I note that the communication does not merely explain the characteristics of a market setup or the theoretical significance of a chart formation. AS first analyses the prevailing market conditions and thereafter communicates his own expectation regarding the future direction of Nifty by stating that a substantial gap-up opening was likely. Having formed and communicated such expectation, AS proceeds to characterize the preceding dip as a buying opportunity and repeatedly states that dips should be bought.
220. Particularly relevant are the expressions – “*any dip was a buy, it is a no brainer, you have to buy and great opportunity to buy*”. These statements do not merely explain how a setup operates or how a participant may independently evaluate a chart. Rather, they communicate the conclusion reached by AS after applying the analytical methodology. The communication therefore moves beyond explaining the process of analysis and conveys the analytical outcome itself.
221. I further note that the statement “*These are just my observations*”, does not materially alter the character of the communication. The issue is not the label attached to the communication but its contents. A communication does not cease to be research analysis, research recommendation or an opinion concerning securities merely because it is described as an observation. Where a person analyses market data, forms a view regarding future market behaviour and communicates that view to others, the communication derives its character from its substance and not from the terminology employed by the speaker.
222. The communications under consideration were not confined to describing past market events or explaining analytical concepts in the abstract. The analysis culminated in conclusions regarding the likely future direction of the market, the identification of buying opportunities and the course of action considered appropriate in the prevailing circumstances.
223. The defence that the session involved revision of concepts does not also help the Noticees. Concepts may be explained using historical charts, anonymised securities,



masked datasets or concluded market situations. Such methods enable the analytical process to be demonstrated without simultaneously communicating views regarding presently tradable securities. In the present case, however, current market conditions were analyzed for the purpose of arriving at and communicating expectations regarding future market behaviour.

224. The IDFC First Bank communication provides the long/buy-dips conclusion. Similar is the case with the Nifty communication.
225. A buy/sell/hold recommendation, price target or trading call is sufficient according to its applicable provision. This feature is evident from the discussions relating to Natural Gas, Nifty and other securities. The communications did not stop at explaining concepts such as wave structures, momentum, divergence or market setups. AS having applied those concepts, proceeded to express expectations regarding future price movement, identified buying opportunities, described preferred market positions and explain trades undertaken by him on the basis of such views.
226. It is relevant to note an instructor may explain how support and resistance levels are identified, how breakouts are recognized or how competing market scenarios may emerge from the non-actionable market data. However, when the analysis culminates in statements that a security is likely to move in a particular direction, that a particular setup constitutes a buying opportunity or that a specified position should be maintained, the communication ceases to be confined to methodology alone and conveys the analytical conclusion itself.
227. **Conclusion:** On a cumulative consideration of the communication, I find that the discussion concerning IDFC First Bank was not confined to demonstrating how a technical view may be developed. AS identified ₹86 as the level below which he did not expect the stock to fall, stated that the stop-loss would be placed below the identified level, described the intervening dips as buying opportunities and expressed the view that an upward breakout was more probable. He thereafter stated that a long position should be maintained and disclosed that he had purchased IDFC First Bank 85-strike call options. The participants were thus provided with the security selected by AS, his assessment of the likely direction, the relevant downside level, the point at which the view would fail, the trading position considered appropriate and the trade taken by him pursuant to that view. The discussion relating to Nifty similarly contained forward-looking statements that a substantial gap-up was expected, that any dip should be bought and that buying was a “no



brainer”. However, the later reference to a target of ₹18–₹19 cannot be attributed to the Nifty 50 index without first identifying the derivative or option contract to which the figure relates. Further, broad-index commentary, by itself, must be distinguished from a recommendation concerning an identified security or derivative contract for the purpose of the Research Analyst Regulations. Accordingly, while the Nifty communication requires separate examination under the applicable provision and clarification of the instrument to which the stated target relates, the IDFC First Bank communication independently conveyed a complete and presently actionable market view.

C2.b.viii. Analysis of allegation in Table 11 (November 25, 2020 - Wednesday)

Allegation:

228. AS is providing stock specific stop-loss, target pertaining to securities and placing orders during live session conducted for course participants/investors of paid course. He clearly gives stock specific advice to course participants/investors.

Contention:

229. This was a live market training session (not a trading session) that was planned 3 months in advance as part of GEO + course schedule and disclaimer was played at the start of the session that mentioned ASTA does not offer advisory services, is not a stock tip provider and decisions taken by students are solely their responsibilities.

230. The session was conducted after 228+ non-market hours of theory sessions and the purpose was to cover ‘how part of the execution’ after learning the theoretical concepts of technical analysis, as usually students struggle to execute their study.

231. Trainers select any stock (not pre-determined) to demonstrate the application of concept indicating the intent of the trainers to teach and educate students for practical application of theory learnt during main sessions and not an advisory or tip.

Consideration:

232. I have considered the aforesaid communications. The session was scheduled on November 25, 2020 on a Wednesday.

Education:

233. I note that the session is divided into two sections – first and second sessions of around 5 hours each. First section starts somewhere around 00:21:35 onwards with participants’ discussing their doubts. Thereafter, AS joins around 00:38:02 onwards and the monitor



displays and reads code of conduct at around 00:40:53 onwards. During the second section of the session towards the end, AS asks participants to share their trade experiences along with key takeaways from the session. One of the participants explains about her USDINR studies, what she does, how much capital she deploys, etc. This was followed by few other participants sharing their trading experiences.

Advisory:

234. The Noticees have contended that the impugned communication relating to Silver Futures arose while explaining the concepts of VWAP and price action and that the transaction related to an existing position held by him during the second section of the session. It is further submitted that the session was a live market training session intended to demonstrate practical application of concepts already taught during more than 228 hours of classroom instruction.
235. I note at 00:15:08–00:15:30 (Part 2 of the session), while using live market data and charts, AS stated, “*Ye apna silver chal pada, 424 jo humne buying ki thi na, phir thoda prasad chadane ka. 46 pe bech ke dekhte hai, aur ek lot sell karte hai. 46 wala gaya.*”
236. Simultaneously, a limit sell order in Silver futures was placed at 59,940. First, AS identified the instrument. Secondly, he referred to an earlier buy position in the same instrument. Thirdly, he conveyed that the expected price movement had materialized. Next, he identified the level at which profits would be booked. Finally, he immediately executed the sell order. Thus, the communication was not confined to explaining what VWAP is or how price action is studied. The analytical process culminated in an identified trading decision in a live market instrument.
237. The defence that the transaction related to an old position does not help the Noticees. The question is not whether the trade belonged to AS. Nor is it whether AS expressly instructed participants to enter the same trade. The question is the nature of the communication that was conveyed to participants. A participant observing the session was shown that a view had been formed in Silver futures, a position had been taken pursuant to that view and profits were now being realized through an actual market transaction. The communication therefore conveyed not merely an analysis but the application of that analysis to an identified instrument.



238. The discussion culminated in a real-time decision in a live market instrument. Here, historical price behaviour was being examined not for the purpose of describing what had happened, but for the purpose of determining what action should be taken next. The Silver futures communication represents the culmination of that process, where the identified market view resulted in a specific trading action.
239. As already noted, the communication identifies a specific instrument, refers to an existing market position, communicates the rationale for profit booking and culminates in the execution of a trade in live market conditions. Therefore, I find that specific trading view was communicated to participants by AS.
240. The Noticees have contended that the impugned communication relating to HDFC Life Insurance Company Limited (**‘HDFC Life’**) arose while explaining the concept of sectoral analysis and how to identify the strongest stock within a sector. According to the Noticees, the exercise was intended to teach students how to compare securities within the same sector. It is further submitted that no entry price, stop-loss, target or trading plan was provided and therefore the communication cannot be regarded as advisory in nature. I have considered the said submissions.
241. I have considered the contention that the discussion relating to HDFC Life was only for teaching sectoral comparison and identification of an outperforming stock. Perusal of the clippings shows that HDFC Life was not casually referred to as an illustration. It was repeatedly identified, analyzed, compared with other insurance stocks and ultimately presented as the preferred stock in the insurance sector.
242. At 00:46:01 (Part 1 of the session), the Noticee states, *“HDFC Life I bought almost just 15 seconds before the close... because I felt that this probably is not going to stop.”* This statement itself contains the essential elements of a stock-specific view. The security is identified. AS discloses that he has bought the stock. He also communicates the reason for such purchase, namely his expectation that the movement may continue. Therefore, the discussion is not merely about a concept. It communicates a bullish assessment of HDFC Life based on live market conditions.
243. Thereafter, at 01:14:43 (Part 1 of the session), while discussing the stocks on which he was focusing, AS stated, *“Definitely financials, HDFC Life, ICICI Bank, HDFC Bank... these are the stocks.”* This shows that HDFC Life formed part of the specific set of securities selected by AS for market action. The stock was not an accidental chart for



classroom example. It was one of the identified securities in respect of which AS had formed a view and was tracking during the live session.

244. The direct sectoral comparison begins at 01:34:06 (Part 1 of the session). In response to a discussion on insurance stocks, the Noticee stated, *“Bhaiya, HDFC Life, HDFC Life, ICICI Pru, wo sab theek hai. Lekin agar insurance sector mein bet karna hi hai, to I think I would bet on HDFC Life.”* Immediately thereafter, he states, *“Stock selection is an extremely important process within a sector”*. He then compares HDFC Life, ICICI Prudential, SBI Life and Max Financial by examining their chart positions, breakouts and levels. Thus, the exercise was not limited to explaining how sectoral comparison may be done. AS himself undertook the comparison and communicated the stock which, according to him, should be preferred.
245. At 01:35:03–01:35:18, the Noticee stated, *“HDFC Life is the only stock which is at all time high... This is undoubtedly the outperformer. Agar insurance sector mein kuch lena hi hai toh HDFC Life lena. Otherwise haath bhi mat lagao.”* This is the culminating statement. AS first identified the relevant feature, namely all-time high. He then concluded that HDFC Life was an outperformer. He thereafter communicated the course of action, namely that if any stock in the insurance sector was to be taken, HDFC Life should be taken and others should be avoided. The communication therefore moves from analysis to conclusion and from conclusion to actionable preference.
246. The defence that AS used the expression *“agar”* does not alter the nature of the communication. Recommendations and opinions concerning securities are, sometimes, expressed conditionally. The substance of the communication must be examined rather than the grammatical form in which it is expressed. The communication conveyed that, among insurance stocks, HDFC Life was the preferred choice and that other stocks did not merit consideration.
247. The later portion of the session further indicates the same nature. At 01:50:35, the Noticee stated, *“Are yaar, mera HDFC Life nahi mil raha itna”*. At 01:51:24, he states, *“Long buildup hi hai idhar... phasne wale hai shorts idhar.”* Thereafter, he discusses where the trailing stop-loss would come and states, *“This is how you can chase stocks,”* while also referring to his own large order.
248. The contention that no target or stop-loss was provided is also not relevant for determination. A communication may possess an advisory or recommendatory character



even in the absence of a numerical target or stop-loss if it conveys a clear preference regarding an identified security. Here, the communication of the identified the security, evaluated its relative strength, compared it with other securities in the sector and ultimately communicated which security should be selected. The absence of a target level does not alter the nature of the conclusion conveyed.

249. Thus, in the communication the security was specifically identified. AS disclosed his own purchase. He communicated an expectation that the movement may continue. He selected HDFC Life as one of the focus stocks. He compared it with other insurance stocks. He identified it as the outperformer. He communicated that it should be taken if exposure to the insurance sector was desired. He later discussed long build-up, short squeeze, trailing stop-loss and order management. These features demonstrate that the communication did not remain within the limits of education or general sectoral analysis.
250. Teaching sectoral analysis could have been accomplished using the historical data by explaining how students may compare securities and leaving them to independently draw conclusions. In the present case, AS did not stop at the method. He applied the method, used the live data to select the stock, disclosed his own position, communicated his expectation and conveyed the preferred course of action. Therefore, I find the HDFC Life communication and conduct possesses all the character of a prohibited stock-specific investment view communicated to participants.
251. The Noticees have contended that the impugned communication relating to Tanla Platforms Limited arose while explaining the concept of target projection in stocks trading at all-time highs. According to the Noticees, students had already been taught the methodology for calculating targets in such situations and the discussion merely utilized a stock that happened to be available on the screen during the live market session. It is further submitted that the communication was educational in nature and intended to demonstrate application of concepts previously taught in the course. I have considered the said submissions.
252. I note the discussion did not stop at explaining the methodology. At 01:36:23, AS turns to the stock and states, “*Okay, Tanla ne kya kiya aaj?*” Thereafter, at 01:36:32, he posed the question, “*Abhi Tanla ka target kya hai? Simple hai re.*” He then explains at 01:36:36, “*All time high mara na, toh ye depth lene ka aur target bana lene ka.*” Then at 01:36:42, AS himself applies the methodology to the identified security and states, “*Ye jo hai na,* 424



... to almost ₹400 yahan se pakdo upar, ₹800, ₹850 tak jayega ye”. Thus, he communicated a specific future price expectation for a specifically identified security.

253. The communication thereafter proceeded beyond target projection. At 01:36:52, immediately after communicating the target range, AS states, “Yes, hold yaar, kuch dekho bhi nahi isko chart ko”. Subsequently, at 01:38:03, while continuing the discussion, he states, “Tumhari weekly wave hai toh tum dekho bhi nahi,” and further adds, “You can simply hold it”. It is important to note here the communication did not merely explain how the target was derived. It also conveyed how the identified security should be dealt with after such analysis had been undertaken.
254. The subsequent discussions also merit noting here. At 01:40:54, AS refers to Tanla hitting a lower circuit and discusses the impact of MSCI inclusion. Thereafter, at 01:41:21, he states, “400, 420 tak aayega to buy kar sakte hain”. Thus, even after communicating the target and the holding view, AS proceeded to identify a price zone at which the security could be purchased. Therefore, his communication contained not only an expectation regarding future price behaviour but also guidance regarding holding and potential accumulation.
255. The statements “hold” and “you can simply hold it” concern the management of an existing holding in light of the projected ₹800–₹850 objective. The later statement that the stock could be bought if it came to ₹400–₹420 is a conditional future-entry view. They are not necessarily inconsistent because they address different trading situations. Even considered separately, AS supplied the participants with the result of the analysis: a target and holding view for an existing position, and a defined buying zone for a possible fresh entry.
256. The defence that the discussion was intended to teach target projection does not adequately explain the full sequence of the communication. Teaching the concept would involve explaining how targets may be calculated in stocks trading at all-time highs and leaving participants to independently apply the methodology. In the present case, however, the Noticee himself applied the methodology to a specific security, communicated a target range of ₹800–850, advised participants to continue holding the stock and subsequently identified a price range at which the stock could be purchased. Historical price behaviour was thus examined not for the purpose of narrating past events but for the purpose of



arriving at an expectation regarding future market behaviour and the action that may be taken in response thereto.

257. The contention that the communication formed part of a training exercise also does not answer the issue. Educational discussion could have remained confined to demonstrating how targets may be derived from historical price structures. Instead, the exercise was carried through to its final conclusion by communicating the expected future price range of Tanla Platforms and advising participants to continue holding the security. The communication cannot be considered as teaching the analytical process.
258. Accordingly, viewed in its entirety, the impugned communication identifies a specific security, applies analytical tools to that security, communicates a future price objective, conveys a holding view and subsequently identifies a potential buying zone. Therefore, I note AS has communicated a stock-specific recommendation and market view was communicated during the session.
259. The Noticees have contended that the discussion relating to Bajaj Finance arose while revising concepts such as SSM setup, FBO, traps, throw-overs, throw-under and what-if analysis. It is submitted that the discussion was intended to teach participants how to evaluate alternative market outcomes and it is specifically stated that AS did not know whether the trade would ultimately work. I have considered the said submissions.
260. I note while discussing Bajaj Finance, AS did not merely explain chart formations in the abstract. At 02:35:09–02:35:38, he stated, “4826 ka stop loss ho sakta hai. Yahan par short kar sakte hain...” while simultaneously displaying a target level of approximately 4510.50 on the chart. The communication of AS therefore identified the security, communicated the anticipated direction of movement, specified the level at which risk would be controlled and simultaneously identified the expected target level.
261. The Noticees have relied upon the subsequent statement that “*I don't know if it will go or not*” and the repeated references to what-if analysis. In my view, these statements do not alter the nature of the impugned communication. Market analysis by its very nature involves uncertainty. The fact that alternative outcomes are acknowledged does not prevent a communication from conveying a market view. It is important to note notwithstanding such uncertainty, a conclusion regarding a specific security is ultimately communicated. The communication identifies shorting opportunity, a stop-loss level and a target level in Bajaj Finance.



262. The subsequent conduct during the session is also relevant. At 04:51:00–04:51:04, AS places a sell order in Bajaj Finance using live market data. Thus, the communication did not remain at the stage of theoretical discussion. The market view earlier communicated was followed by execution of a trade in the same security before participants.
263. The Noticees defence that the discussion merely illustrated what-if analysis also does not explain why the communication proceeded to identify a specific trade, specify the stop-loss, display the target and thereafter execute a transaction. Teaching what-if analysis would involve explaining alternative possibilities and leaving participants to independently determine whether any trade should be undertaken. Here, however, the analytical process was carried through to its practical conclusion by AS.
264. Therefore, in my view, the communication relating to Bajaj Finance identifies a specific security, communicates a bearish trading view, specifies risk management and profit objectives and is subsequently followed by live execution in the same security. The communication and conduct are in the nature of security-specific trading recommendation and market view which falls in the prohibited domain.
265. The Noticees have contended that the discussion relating to DIVIS Laboratories Limited (**'DIVISLAB'**) was intended only to explain view building using Elliott wave principles and that the subsequent transaction merely represented adjustment of an existing position. According to the Noticees, the stock was already in AS' watchlist and no direction was issued to participants to enter into any trade. I have considered the said submissions.
266. I note at approximately 02:41:15, AS stated, "*DivisLab maine kyon nikala? Abhi view building dekho kaisa hai...*" and proceeds to explain the basis on which he was assessing the stock. He thereafter analyzed the chart structure and stated, "*Yeh meri fourth wave jaisi hai toh I am not going to become very bullish on this now because this is a fifth wave...*" Thus, before any order was placed, AS identified the security, explained the analytical considerations relevant to the security and communicated his assessment regarding that security.
267. Thereafter at 02:42:10–02:42:15, AS places a buy order in DIVISLAB call option using live market data with a strike price of 3400 and expiry at November 15, 2020. Thus, the analytical exercise did not stop at explaining how Elliott Wave concepts may generally be applied. AS, himself, applied those concepts to an identified security, communicated the



resulting assessment and immediately acted upon that assessment through a live transaction.

268. While the Noticees stated the order related to an existing position, what is relevant here is not whether the position was old or new. Nor is the issue whether participants were expressly directed to replicate the trade. The issue is whether participants were communicated a market view in an identified security and whether the communication demonstrated how that view translated into a trading decision. In the present case, the discussion and the order formed part of a single continuum.
269. The contention that the discussion was merely educational cannot be accepted. Education would have remained confined to explaining how wave counts are identified, how alternative counts may emerge and how market participants may independently assess such possibilities which could have been done with the historical data. Here, however, the analysis was carried through to its practical conclusion by communicating the assessment reached by AS and thereafter placing the order.
270. **Conclusion:** On a cumulative consideration of the aforesaid communications, I find that in Silver futures, AS referred to his existing position, communicated that the anticipated movement had occurred, identified the level for profit booking and executed the sale during the session. In HDFC Life, he disclosed his purchase and expectation of continued movement, compared it with other insurance stocks, identified it as an outperformer and expressly preferred it over the others for sectoral exposure. In Tanla Platforms, he derived a future target of ₹800–₹850, advised holding the stock and identified ₹400–₹420 as a buying zone. In Bajaj Finance, he communicated a shorting opportunity, a stop-loss of ₹4,826 and a target of approximately ₹4,510.50, followed by a live sell order in the same security. In DIVISLAB, he applied Elliott Wave analysis, communicated his assessment of the prevailing wave structure and translated that assessment into a live options transaction. Thus, each communication contains an identified instrument, contemporaneous analysis, the reasoning supporting AS's view and a resulting trading conclusion, preference, target, holding view, exit decision or live implementation. Upon cumulative consideration, I find that the communications concerning Silver Futures, HDFC Life, Tanla Platforms, Bajaj Finance and DIVISLAB attract the essential elements of investment advice and/or research analysis and recommendation.



C2.b.ix. Analysis of allegation in Table 12 (February 10, 2025 - Monday)

Allegation:

271. AS provides expected directional movement, squaring off his open position in a security, providing stock specific stop-loss, target and entry price in securities during live session conducted for participants of paid course. At places he gives clear advice of asking course participants/investors to enter at a particular level. In the case of Natural Gas option, he is actually advising course participants/investors based on their capital, stop loss and risk as to how much they can earn by taking such a position. At other places where he is talking about his trades, it is also on live data predicting future price movement thereby being in the nature of advice.

Contention:

272. This was a full day Aarambh session conducted on February 10, 2025 after 228 non-market hours of theory sessions to cover 'how part of the execution and address major challenge areas for students'. The students were clearly instructed that the session was not for tips, were asked not to copy any trade shown by the trainer and to focus on learning. A poll was also run at 2:48:00 hours to identify major challenge areas of students. Expectations were set right at the beginning by asking not to copy trades shown by the trainer to stay focus on learning and the session was not for tips. This was followed by showing Code of Conduct for Traders which was recited by students, as part of inculcating habits for focus, discipline and patience as it was essential to be an independent professional trader/investor. The examples shown were to demonstrate how to apply study and concepts learnt in technical analysis during execution while managing risk. Stocks selected by the trainer to demonstrate the application of the concept were not pre-determined.

Consideration:

273. I have examined the aforesaid communications.

Education:

274. I note that the session commenced at around 00:03:55 with the participants highlighting issues faced by them about conducting back testing, application of work strategies, better execution, etc. and expectation setting by the monitor w.r.t. mind management, habit



formation, code of conduct, etc. and disclaimer was run at around 00:24:51 followed by a pledge. Then at around 00:34:25, the monitor speaks about preparation and introduces first ritual i.e. to check the global markets and explains about different global markets on investing.com and how do these markets get impacted, etc. He also asks them to check commodities on capital.com and shows some examples too. He also checks pre-market indicators on Moneycontrol before the market opens. These interactions between monitor and participants go on until around 01:00:06 when AS joins the session and speaks about preparation as a part of ritual and related topics. At around 01:00:51 onwards, he asks whether the participants should copy the trades undertaken by him and whether they want any tips, to which, participants respond in negative and he also speaks about discipline in trading (such as updation of daily performance, lessons learnt, highlights of the week, etc.) as one of the participants' despite being associated for more than 3 years with ASTA was facing issues in execution.

275. AS also speaks about focusing on process goals instead of monetary goals (which are achievable and realistic) at around 01:16:39 to 01:23:42. At around 01:23:56, AS takes an example of Crude Oil and says that he is having a long position. He then asks certain questions to participants about the trends, retracement, etc. and says that view building has to be done always on a normal chart without any indicators which goes on until around 01:28:28 before moving to international chart. He also asks the participants about difference in two charts, to which, participants respond as change in dollar rate. He further emphasises that context is the most important thing in trading and not the setup or significance at around 01:29:30. Thereafter, AS runs a poll to identify major challenges faced by the participants at around 01:35:33 onwards which includes not taking stop loss, overexposure, impulsive entries, fear of loss, profit turning into loss, etc. I further note that while participants were engaged in answering an interactive poll, AS imparted structured guidance on building market view/outlook, stating that “*view building should never be done in a live market, ideally*” at around 01:37:21. AS further emphasizes that while a specific trading view can evolve dynamically during active market hours, a trader must remain prepared for such shifts by formulating their operational strategies and parameters a day in advance. AS’ detailed instructions on the methodology of formulations, timing and structural adaptation of market positions reflects basic educational lesson.



276. AS then discusses about updating SWOT, e-version of the diary/Sanskar journal and asks the participants to note down 3 weaknesses and re-iterates that view building has to be done in advance and there has to be context to undertake a trade. Then the monitor takes over the session and discusses about OI spurt, Nifty heat map, etc. and creation of watchlist. The discussion with the participant continues covering opportunity hunting starting from overall sector indices. Then AS speaks about preparation and importance of trend change or potential trend change, etc. and takes an example of Divis Laboratory as one participant had mentioned it earlier. He further says that whenever one takes a trade, one should look for what would be the learning and not how much they will earn from the trade and how can work on their weaknesses such as not taking stop loss, etc. AS also speaks about important aspects for trading namely analytical and execution skills and opportunity hunting that gives time freedom and irons out the weaknesses and alignment with dominant forces. This is followed by Q&A with one of the participant from around 02:25:53 and giving feedback to them. He further speaks about goals i.e. back testing and experimentation and practice goals till about 02:32:19.

277. He further discusses about looking at opportunities with the objective of meeting process goals and working on weaknesses and about developing a right mindset for this profession. He further emphasizes on focusing on resolving issues and not earning money with the same participant sharing his experience. This is followed by revision of the GEO concepts and participant sharing feedback and AS speaking about vision, collective study, etc. I note that the session for this period discussed hereinabove is educational in nature.

Advisory:

278. The session is stated to have been conducted on February 10, 2025 i.e. Monday. AS is observed explicitly stating that he is trading crude, immediately qualifying the statement as an 'example'. However, AS thereafter executes a live sell order in Kotak Mahindra Bank 1900 CE option utilizing real-time market data somewhere between 01:29:30 to 01:29:38, subsequently instructing that they will come back every 15 to 20 minutes to observe the changes. The Noticees' defense that the trade was merely an 'educational example' cannot be accepted. Executing a live market order in a specific security using real-time data – coupled with a directive to track its active performance at short intervals- goes beyond abstract pedagogy. It creates an interactive environment that functions as an implicit trading call and specific investment recommendation.



279. At around 01:31:40 onwards, he asks about what should be the observation in US oil and says that if the downtrend has to change then there has to be a 'Dow Theory' violation and immediately mentions about formation of a higher high along with trend line breakout, and divergences on 4 hourly set up and BKP. He then asks the participants whether this is momentum or swing trade and calls it a preparation of view building on crude oil. He further says that one need not take trades in haste in commodities.
280. I further note that at around 01:33:02, AS actively managed an open market position by executing a live sell order of 20 lots in crude oil futures using real-time market data. AS explicitly details his trading rationale to the participants, citing a 'gap up' on the trading day and a risk-to-reward ratio exceeding 1:2 as justifications for his partial exit. Furthermore, he projects a specific upside target to achieve a 1:3 risk-reward ratio, instructing the participants to implement 'staggered exits' and utilize risk-reward tools in their own trading activities. AS' presentation of his personal trading portfolio, combined with live execution, price targeting and specific strategic directives, transcends generalized financial literacy. By demonstrating real-time trade adjustments and providing a structured framework for exits, AS provides actionable, security-specific advice aimed at influencing the trading behaviour of the participants.
281. Thereafter, AS presents Natural Gas example at around 01:42:01 onwards and says that he was 'long' in the position, explicitly saying participants have a view that gap ups usually happen on Monday. This example is being discussed interactively with the participants before moving to IDFC First Bank example. AS actively discusses at around 01:45:36 about technical trading parameters, including specific resistance levels, Heiken Ashi parameters and risk reward ratios and mentions about a short position taken on Friday and he still holds the position. He then sets a live price alert on screen, telling the participants that he need not monitor the trade frequently and one should give the market time to prove their view. He also discusses about rationale for why he took the short position in the scrip apart from suggesting risk ratio of 2.32 being not so great and suggests taking entry at bounce or other price level while suggesting a target and also shows his position with BEP. AS' conduct crosses the line from an educational example as it involves discussing specific resistance levels and setting a live price alert based on an open position provides an immediate blueprint for participants to replicate the trade. Providing a technical



justification to ‘give time for the market to prove the view’ presents a specific market outlook designed to influence active trading decisions.

282. Thereafter, AS again moves back to IDFC First Bank example from around 02:17:00 onwards and shows trading screen saying that he has covered partial position in the scrip so as to improve his BEP and says that partial exits can be done when r:R is at least 1:3. He also mentions about quantity, lot size and that the whole focus should be to improve BEP while entering his trade details and computing BEP for his trade. He further mentions that the computation format would be shared with them before moving to the next example.
283. At around 02:39:00 onwards, AS takes an example of Divis Laboratory -spot and while showing chart, he says there is swing and BKT and it may not go above 6178 and mentions a stop loss of 6,089 further qualifying that it wouldn't go above 6,100. He then checks the OI data on the screen and says that % OI change is 0.79 and there is shredding and there is long covering. AS, in this example, has identified a security and pointed out a major resistance level where the price is expected to stop rising.
284. Then he mentions about certain problems faced by participants such as excess screen time, not taking stop loss, etc. At around 02:42:55, AS says “ *how can I get into a stock or an opportunity which helps me to take my stop loss*”. AS then evaluates a short set up on the Divis Laboratory 27 Feb 2025 call option. The analysis hinges on two key structural factors – the candle high at 180 marks a clear level of resistance and a 14% increase in open interest alongside this price action confirms significant short build up, thereby defining a stop loss at 152. In option writing, capital protection is paramount and therefore AS emphasizes a risk management rule that the stop loss must never exceed 25% of the premium collected. He then evaluates two separate entry points i.e. premium of 140 with a stop loss of 20 and premium at 131 and leave. He immediately qualifies by saying this is an example and whether it allows or not depends on the capital. Then he says put limit order at 131 and leave the screen. He further says that based on the study, undertaken a position with a specific target and a stop loss and if it happens, then it may give you 3 to 4 times profit. The communication therefore identified an instrument (i.e. 27 Feb 2025 CE), identifies a clear level of resistance and defines a stop loss on the basis of 15% increase in open interest. The discussion did not merely stop at how stop loss and entry may generally be identified. Rather, specific entry conditions were being communicated. The subsequent comment that this is just an example do not alter the character of the earlier communication.



285. At 03:39:17, AS says that he had taken options in Kotak Bank and is hunting for opportunities and takes an example of Natural gas with an expected gap up. He says that whenever the chart is selected, one should look for the possibility of change of trend. On live price volume chart of Natural Gas futures, he says that this is like a fake breakout with a neutral candle without a follow-up. Then he adds that there are divergences, BKT and YNJ. He asks them to see what parameters to see from the checklist and start with view building on monthly. He goes on to mention that there is green candle with inverted hammer with no follow up and price is above 5 and 13 years, flat Bollinger band indicating a possibility of corrective wave. He further says that there is breakout with good moving averages in weekly and no follow up to the candle and mentions about two possibilities – that it may continue as wave is going against the tide or align with monthly. This indicates that there are conflicting signals i.e. buy and sell both but monthly MACD is up, in daily there is downtrend as it fell on resistance and asks them to find the context first followed by identification of a significant candle. He then puts an alert using a live on market data.
286. At around 03:49:27, AS says to put everything in a checklist and always focus on Dow Theory. He further explains view building on chart in live market on international chart. Thereafter, he goes on the Indian chart and says that YNJ would not go above 301. He justifies the same by giving a rationale that there was a fake breakout since RSI is below 60 and a bear counter attack. He further indicates on chart a target of 293 with risk to reward. Further, on live price volume chart of Natural Gas Options, AS says in order to make 3 times return, the target should be somewhere near 10.02, with entry at 13.70. and the process goal would be achieved.
287. He further mentions around 04:00:00 onwards about selling one lot at 13.60 and another lot at 14.40 while performing live trade in Natural Gas 300 Strike CE 21Feb2025 with stop loss at 15.10 and above resulting into a risk of less than 10%. Then he places another stop loss order limiting stop loss at 15.20 and trigger price at 15.20 which resulted into an average of 14 and risk about 1.25 paise which is less than 10% of the options premium collected. He further explains that if the position results into loss, the risk would be 5,600 with a capital of 5 lakh which is approximately 1% of the capital with a probability of earning 15,000 with a r:R of 1:3. He thereafter places a sell order on Natural Gas futures using live data at around 04:14:00.



288. It is relevant here to note that AS identifies competing bullish and bearish signals in Natural Gas, asks participants to work through a checklist and states two possible outcomes. If he leaves the conclusion open, it could have been different as it is the students who form the opinion. From 03:49:27 onwards, AS communicates that the underlying would not cross 301, indicates a target of 293, gives an option target near 10.02 and entry near 13.70, and thereafter sells Natural Gas 300 Strike CE expiring February 21, 2025 at 13.60 and 14.40 with stop-loss levels of 15.10/15.20 and a quantified 1:3 risk-reward.
289. He then moves back to the live price volume chart of IDFC First Bank futures chart from 04:25:00 onwards indicating 61.23 and 62.15 targets and confirmation about nearly reaching his first target. He further mentions about staggered exits and places limit buy order to cover his position as his goal has been achieved. He then computes his realized profit as ₹ 4.57 lakh. He also mentions about probability of getting entry at 63.48 and stop loss of 63.94 performing a live trade with a good risk to reward ratio. He further mentions about putting a sell order-for 63.40 to cover and re-short justifying his bearish view to achieve depth of correction.
290. **Conclusion:** I note that, apart from the express statements made by AS regarding the likely movement of the identified securities and contracts, the trading levels communicated during the session themselves reveal the forward-looking nature of the discussion. In Natural Gas, AS stated that the underlying was unlikely to cross ₹301 and indicated ₹293 as the target. In relation to Natural Gas 300 Strike CE expiring on February 21, 2025, he referred to an entry around ₹13.70 and a target near ₹10.02, executed live sell orders at ₹13.60 and ₹14.40 and successively placed stop-loss orders at ₹15.10 and ₹15.20. He also quantified the possible loss at ₹5,600, the expected profit at approximately ₹15,000 and the risk-reward ratio at 1:3. Likewise, in IDFC First Bank, he identified ₹62.15 and ₹61.23 as downside targets, referred to a possible entry at ₹63.48 and specified a stop-loss of ₹63.94 while actively managing and partially covering the position. These figures were not referred to merely for explaining the operation of technical concepts. They conveyed the proposed entry, the expected direction and extent of price movement, the level at which the view would fail and the corresponding risk and reward. AS thereby placed before the participants the completed result of his analysis through identified securities and contracts, live transactions, entry levels, stop-losses, targets and quantified risk-reward. Such information furnished the participants with a sufficiently complete trading framework is



capable of guiding their decisions. These interactions culminated in AS adopting and communicating a specific instrument with specific entry points/stop loss, quantifies the profit/loss owing to the position thereby making the completed trade proposition more precise and capable of implementation.

C2.b.x. Analysis of allegation in Table 13 (May 04, 2025 - Sunday)

Allegation:

291. AS provides stock specific stop-loss, target, expected directional movement and support level in securities during session. He also uses the past price volume chart data to predict future price in specific securities.

Contention:

292. 'Eye Opener session' is where most people, new to market and ASTA, are introduced to the market, its potential, and also introduced to ASTA and its programs. AS runs a poll to understand how many people know about DOW theory and 96% of people answer "*they don't!*". AS through the session explains DOW Theory, identification of trends, special candles and stop loss with the help of charts.

293. Using examples of different stock/instrument charts, the session covers points such as what should people know when coming to market, what should people focus on to do good in the market, why are candles important, how are they formed, special candles to identify entry and stop loss, how to identify Open, High, Low, Close of a candle, different trends in the market.

294. Once teaching was over, participants were explained about the GEO program i.e. schedule, study materials, fees, monitor support, ASC Group, etc.

295. Throughout the session, there was no direct or indirect instruction given to the participants to buy or sell a particular asset. They were rather asked to keep an eye on the said stocks to see if the DOW they learnt works or not.

Consideration:

296. I have carefully considered the submissions of the Noticees.

Education:

297. I note that the session commenced from around 00:08:23 onwards wherein AS speaks about general topics about ASTA, volunteers, how he has evolved as a trainer/mentor, etc.



298. Further, between 00:35:00 to 00:36:00, AS says that he is going to cover Dow Theory for making buy-sell decisions, how to enter/exit and how to manage risk. Then from 00:38:25 onwards, he introduces a candlestick chart to teach how to read the chart and asks importance of charts and why candlesticks (00:39:01 to 00:39:14). He also teaches about chart pattern for Infosys from 00:39:30 onwards and shows how the stock price moved since the stock started trading. He also shows chart patterns of Yes Bank, RPOWER and RIL to demonstrate price movements over the years.
299. Thereafter, at 00:43:50, AS asks about how many are aware about the market trends and DOW Theory and launches a poll and asks the participants to focus on learning. Then at around 00:46:09 onwards, he starts with the concept of market forces and speaks about the terms 'bull' and 'bear'. From 00:47:39 onwards, he discusses a lesson on risk mitigation, posing the question of what happens if the trade fails. He uses this potential downside to introduce the concept of a stop loss, framing the study of candlesticks not as a guaranteed predictive tool, but as a framework for risk management.
300. To make the concept of risk calculation tangible, he shares a historical case study of his own trade in ITC from a year prior, demonstrating how he calculated a precise 15-point risk corridor by entry at 424 and a stop loss at 409. This retrospective example was strictly utilized to reinforce a universal trading rule that macroscopic charts are used to calculate potential rewards, whereas the structural low of a specific candlestick serves as the definitive, objective stop loss line for buyers to protect capital.
301. He further demonstrates historical trends with few examples such as RIL, LIC, NIFTY50, Dow Jones, USDINR and Gold. He also emphasizes the importance of development of own skills and not being short sighted or rely on some apps or AI/ML tools and asks to invest 1000 active days somewhere between 01:47:00 to 01:49:00.
302. AS runs polls to ask the participants about the purpose of attending the session, their background, awareness about candlesticks, etc. He urges them to take notes and explains the importance of focus on the process and to avoid big losses. He also introduces charts, teaches about market trends, Dow Theory, market forces, risk:reward, stop loss, etc. He explains these concepts with some historical examples. I also note that he emphasises on development of own skill and devoting 1,000 active days to become a professional at around 01:48:00 onwards. The volunteer takes over the session from around 01:51:00 onwards and posts a quiz to check the participants' understanding followed by discussion



on the quiz answer by AS till around 02:11:08. Further, with example of RIL and LIC, AS teaches uptrend, downtrends and sideways trends. This was followed by explaining about course structures offered by ASTA followed by Q7A with the participants.

303. I note that the aforesaid communications demonstrate educational setting. I note that concepts such as candlesticks interpretation, Dow Theory, trend identification, market forces, risk management and risk reward were being explained through use of actual securities and charts. The mere use of an identified security, including a recent security or chart, does not by itself alter the character of such communication. The distinguishing feature in the aforesaid portions is that the communication stopped with teaching the analytical process. The security served as the medium for demonstrating the concept, but the exercise did not culminate in a directional view, proposed trade, entry or exit level, target or stop-loss concerning that security. Applying this test, these communications retain their educational character.

304. Accordingly, I accept the Noticees' contention to this extent. The Eye Opener session contained an educational component and the use of actual securities for demonstrating technical concepts cannot, without anything further, be characterised as investment advice or research recommendation. This, however, has to be distinguished from those discrete portions where the same analytical process was applied to an identified security and culminated in a forward-looking view accompanied by actionable trading parameters. Those communications require separate consideration.

Advisory:

305. In this regard, in so far as an example of Sport King India Limited is concerned, the communication commences at 00:36:25–00:37:14 with AS informing participants that *"This is a stock I intend to buy tomorrow"*. He thereafter specifically identifies the security as *'Sport King India Limited'*, directs participants to note down the name of the stock, states that he intends to purchase the stock on the following trading day and further communicates his belief that the stock is *"likely to go up"* and *"going to go up"*. These statements are not directed towards teaching any general principle of Dow Theory or candlestick interpretation. Rather, they communicate four distinct elements concerning a specific security, namely, identification of the security, the speaker's intended course of action in



that security, his expectation regarding future price movement and his bullish view regarding that security.

306. It is important to note that the session was attended by several hundred participants - a substantial proportion of whom, as revealed by the polls conducted during the session, had little or no prior knowledge of candlesticks or Dow Theory. In such circumstances, the communication that a named stock intended to be bought on the next trading day and is expected to go up is capable of communicating a market view concerning that security. The subsequent statement that the communication is “*not a tip*” does not alter the substance of what was actually communicated.
307. The size and relative inexperience of the audience explain the likely communicative impact, but are not substitutes for the statutory elements. Regulation 2(1)(wa) itself extends research services to clients, other persons, groups of persons and the general public.
308. The communication thereafter proceeds beyond a mere expression of optimism regarding the stock. At 00:46:28–00:48:23, AS returns to Sport King example and states that he wants to be a bull in the company and wants to buy the stock. He has identified the stock because buyers are likely to dominate, believes the stock is going to go up and therefore wants to be a buyer. He further explains that if he is wrong, a stop-loss would be required. Thus, the communication now contains not merely a view regarding future movement but also the rationale underlying that view, namely, anticipated dominance of buyers over sellers. The communication therefore provides the audience with both the conclusion and the reasoning supporting that conclusion.
309. During the overlapping segment 00:46:28-00:48:23, statements explaining bulls, bears and failure risk may remain educational in isolation, while the statements applying them to Sport King and concluding that AS wants to be a buyer are research-recommendatory.
310. The communication develops further at around 00:54:25 to 00:57:06. Referring specifically to Sport King, AS analyses the candle formed on May 02, 2025 and states that there was no seller below ₹101.40 and, on that basis, expresses the view that the stock is unlikely to fall below ₹101.40. He repeatedly characterizes the candle as a “special candle” and a “weapon”, identifies ₹101.40 as the relevant level, and expressly states that ₹101.40 would be his stop-loss or emergency exit. He further quantifies the risk by stating that if



purchased at around ₹110, the loss would not exceed approximately ₹9 per share. The communication thus progresses from a general bullish view to communication of a specific support level, a specific stop-loss level and a quantified risk framework. These are all stock-specific trading parameters communicated in relation to the identified security.

311. The Sport King analysis indicates that there was a communication of expectation that the security will not fall below a stated level, an expectation concerning its future performance. The proposed purchase near ₹110, stop-loss at ₹101.40 and quantified risk of about ₹9 complete a usable trading recommendation.
312. Further, the communication is not confined to explaining what a stop-loss means conceptually. A conceptual explanation would ordinarily stop at describing the function of a stop-loss or demonstrating the principle through anonymized or historical examples. Here, however, the explanation is directly tied to Sport King India Limited, an intended purchase on the next trading day and a precise level below which AS believes the stock is unlikely to fall. The communication therefore enables participants to translate the discussion into an actionable market view concerning the identified security.
313. Accordingly, viewed holistically, the security, Sport King India Limited is identified by name. A future directional expectation is communicated. AS' own intended transaction is disclosed. The anticipated dominance of buyers is communicated as the basis of the view. A support level is identified. A stop-loss level is prescribed. The potential risk is quantified. The discussion therefore extends beyond imparting abstract educational concepts and enters the realm of communicating a stock-specific view capable of being acted upon by participants.
314. The discussion concerning Zodiac Clothing merits separate consideration. At around 00:57:25 to 00:57:59, AS specifically introduces Zodiac Clothing and requests participants to note the company and observe what transpires in the succeeding trading sessions. The focus of the communication is thus shifted from the general study of charts to the future conduct of a specifically identified security. Once a particular scrip is singled out from the broader market and participants are directed to monitor its future movement, the communication acquires a security-specific character. Added to that, the communication repeatedly employs predictive language concerning future market behaviour. Expressions such as “*I don't think.. it will fall below ₹100*” and “*I don't think it will fall below this*” are all forward-looking assessments concerning the future performance of the security. They



are not confined to describing historical facts visible on the chart. The chart is used as the basis to arrive at a future expectation regarding the stock and that expectation is then communicated to participants.

315. Having drawn attention to the scrip, AS proceeds to analyze the candle formation visible on the chart and thereafter expresses the view that the stock is unlikely to fall below ₹100. It is relevant to note that this statement does not merely identify a historical price point. The communication attributes future significance to that level by conveying that the stock is unlikely to trade below it. Thus, a conclusion concerning future market behaviour is communicated to the participants.
316. A trainer may explain how support levels are identified, how buyers and sellers interact around price zones, or how a particular candle may indicate strength or weakness. However, in the present case, when the live data is used, the discussion does not stop at explaining how such an inference may be derived. The inference itself is supplied. Participants are not merely taught how to analyze a chart. They are informed of the conclusion reached from that analysis in relation to Zodiac Clothing.
317. I note that participants are first introduced to the analysis. Thereafter, the audience is told the result of that exercise, namely, that the stock is unlikely to fall below ₹100. Consequently, the analytical judgment is not left to the participants. The speaker performs the evaluative exercise and communicates the resultant outcome of analysis.
318. In nutshell, I note that a particular security is selected for discussion. Its prevailing chart structure is examined. A conclusion regarding future price behaviour is drawn. A specific level is identified as having continuing significance for future market action. The communication thereby furnishes participants with a ready inference capable of being acted upon without requiring them to independently undertake the analytical process.
319. Viewed holistically, therefore, the discussion concerning Zodiac Clothing is not confined to teaching participants how chart analysis may be undertaken. It goes a step further and communicates the outcome of such analysis in relation to Zodiac Clothing. The communication accordingly partakes the character of a stock-specific market view rather than remaining confined to the exposition of an educational concept.
320. The discussion concerning ITC stands on a somewhat different footing. At around 00:58:10 to 00:58:47, AS identifies ITC as another stock that he wishes to buy on the following trading day and expresses the view that the stock is unlikely to fall below ₹424.



The communication therefore commences with a specifically identified security and an assessment regarding a price level which, according to the speaker, is expected to continue influencing future trading behaviour. The discussion does not stop at identifying ₹424 as a level visible on a historical chart. It proceeds further and treats that level as one which, in the speaker's assessment, is unlikely to be breached in future. The communication therefore conveys a conclusion regarding the future conduct of the security and not merely a description of past price behaviour.

321. The discussion thereafter progresses beyond the expression of a market view. At around 00:59:21 to 00:59:55, AS states that he had previously purchased the stock at ₹424, identifies ₹409 as the stop-loss level and explains that the risk involved was only ₹15 per share. The communication thus does not stop at identifying a favourable chart structure. It further communicates the level at which the underlying premise would stand invalidated and quantifies the consequences of being wrong. Participants are therefore not merely shown a chart pattern. They are informed how the speaker himself proposes to manage risk in relation to that security.
322. The discussion advances further at around 01:00:02–01:01:15, where AS proceeds to identify what he describes as the first and second targets. The chart is analyzed to explain why those levels are being considered and why the stock may encounter resistance at those points. Consequently, the communication extends beyond a view regarding direction and proceeds to communicate the expected extent of the movement if the analysis proves correct.
323. What is important is not that historical charts were displayed during the session. Historical charts can undoubtedly be used for educational purposes. The communication derives its character from the use to which those charts are put. In the present case, the historical price behaviour of ITC is examined, conclusions are drawn from that exercise and those conclusions are thereafter projected into the future.
324. This is clear from the manner in which the discussion continues. Having examined the earlier price action, AS states that the stock is unlikely to fall below ₹424. He thereafter identifies ₹409 as the level at which the trade thesis would fail. The analysis then proceeds further to identify prospective upside objectives. Likewise, while discussing earlier movements in the stock, the chart is examined to determine how high the stock may travel and where it may encounter resistance in future. Thus, the past movement is not the end



point of the discussion. It is merely the starting point from which future expectations are derived.

325. The difference becomes apparent when one contrasts the present communication with a what could be a purely educational discussion. A person teaching chart reading may use historical charts to explain concepts such as support, resistance, trend identification or risk management. In such a case, the chart remains illustrative of the concept being taught. Here, however, the chart performs a different role. Historical price behaviour is analyzed, conclusions are drawn from that analysis and those conclusions are projected into the future by identifying levels below which the stock is not expected to fall, levels at which the analysis would be regarded as incorrect and levels up to which the stock may potentially travel. The chart therefore functions not as a teaching aid but as the foundation for communicating a present market view regarding the future behaviour of the security.
326. What emerges from the discussion is considerably more than an explanation of candlestick theory or Dow Theory. The communication begins with a specifically identified security.
327. **Conclusion:** On a cumulative consideration of the aforesaid communications, I find that AS did not stop with explaining what is Dow Theory or how to identify open, high, low or close of a candle or how to analyse special candles to identify entry and stop loss. He applied those concepts to Sports King India and communicated an expectation that it may not fall below a stated level coupled with the fact of proposed purchase near ₹ 110, stop loss of ₹101.40 and quantified the risk of about ₹9 makes it as a complete actionable trading recommendation. Further, AS identified Zodiac Clothing and communicated that the stock is unlikely to fall below ₹100. Consequently, AS identified a specified security and communicated the resultant outcome from his evaluative exercise of the prevailing chart structure. The communication accordingly partakes the character of a stock-specific market view. In case of ITC example as well, AS identifies the stock, identifies stop loss of ₹409 with a risk of ₹15 per share. The analysis therefore identifies a specific security and communicates the level at which the underlying premise would be invalid. Thus, the participants were provided not merely with the method of analysis but with a complete, security-specific and futuristic trading proposition capable of being evaluated and acted upon.



C2.b.xi. Analysis of allegation in Table 14 (April 06, 2024 - Saturday)

Allegation:

328. ASTAPL/AS provides specific security he is going to buy, support level, stop-loss, expected directional movement and target in a security during session. Though AS gives disclaimer that he is not providing a stock tip, the essence of the communication is to convince/induce the course participants/investors to invest in the said scrip as he is predicting future movement based on price volume data. This disclaimer does not seem to be genuine.

Contention:

329. 'Eye Opener session' is where most people, new to market and ASTA, are introduced to the market, its potential, and also introduced to ASTA and its programs. AS runs a poll to understand how many people know about DOW theory and 93% of people answer "they don't!". AS through the session explains DOW Theory, identification of trends, special candles and stop loss with the help of charts.

330. Using examples of different stock/instrument charts, the session covers points such as what should people know when coming to market, what should people focus on to do good in the market, why are candles important, how are they formed, special candles to identify entry and stop loss, how to identify Open, High, Low, Close of a candle, different trends in the market.

331. Once teaching was over, participants were explained about the GEO program i.e. schedule, study materials, fees, monitor support, ASC Group, etc. The Noticees have contended that out of almost 5.3 hours (i.e. 330 minutes), close to 4 minutes were where recent charts were used only to demonstrate how the learnt theory is applied on charts. Throughout the session, there was no direct or indirect instruction given to the participants to buy or sell a particular asset and the focus was on learning.

Consideration:

332. I have examined the aforesaid communication.

Education:

333. At the commencement of the session, a full time trader and a trainer speaks about general topics which will be covered during the session, information about ASTA, etc. which went on till around 00:25:50.



334. AS joins the session and asks the participants to focus on the process, take notes and participate in polls to ascertain their familiarity with the securities market. At around 00:39:47 onwards, he states that he would explain how risk could be managed and large losses avoided. The polls also indicate that a substantial proportion of the participants had little or no familiarity with concepts such as candlestick charts and Dow Theory. These features provide the context in which the subsequent explanations are required to be examined. The polls and the participants' lack of familiarity support the instructional context, but they do not determine the legal character of every later communication.
335. At around 00:42:31, AS refers to profits earned by him in futures and options and thereafter refers to his earlier purchase of IDFC First Bank. However, the discussion concerning IDFC First Bank did not proceed towards communicating any present or future trading opportunity in that security. At 00:45:13, AS poses the question, "*Why charts and why candlesticks?*", and thereafter uses the chart to explain what a chart represents and how historical price movements are reflected through candlesticks.
336. At around 00:46:11, AS explains that charts depict what has happened to the stock price of a company and that securities are generally purchased with the expectation of appreciation. Between 00:46:38 and 00:46:44, he explains the elementary principle that purchasing at a lower price and selling at a higher price results in profit, whereas purchasing at an elevated price followed by a decline results in loss. Thus, the identified security was being used as a factual illustration for explaining the mechanics of charts, candlesticks and profit and loss.
337. In fact, this discussion did not culminate in any future view on IDFC First Bank. No entry level, target, stop-loss, support or resistance level or suggested course of action in the security was communicated. The analysis stopped with the explanation of the concept itself. Applying the aforesaid test, the security remained an illustration through which the concept was taught and did not become the subject matter of an actionable market view. I therefore find this portion to be educational in character.



338. A similar character is evident in the discussion concerning LIC commencing at around 01:12:23 onwards. AS explains the historical price behaviour of the scrip and, in that context, introduces concepts such as risk-to-reward ratio and the role of market forces in determining price movement. The discussion was followed by a quiz poll to assess the participants' understanding, after which the rationale underlying the different options was explained. The sequence of explanation, testing and reinforcement demonstrates that the security was being used to teach the underlying analytical concepts rather than to communicate a trading call.
339. Thereafter, AS refers to NIFTY and Reliance Power and from approximately 02:09:00, introduced Dow Theory. He explained risk management, avoidance of large losses, use of stop-loss and identification of uptrends, downtrends and sideways trends. Securities such as NMDC, Reliance Industries, PFC and Tanla were used as chart illustrations for demonstrating these concepts. This discussion continued until approximately 02:44:35. In these instances also, the focus remained on understanding how a trend is identified from historical price behaviour rather than on communicating a recommendation concerning the securities used as examples.
340. The educational character of this portion is also demonstrated by what followed at around 02:44:35 onwards. Participants were invited as panellists and asked to identify trends, explain which market force was dominant at different stages and display the notes prepared by them during the session. Such interaction is consistent with an instructional exercise intended to assess comprehension and the participants' ability to apply the concepts which had just been explained.
341. I therefore find that these portions of the Eye Opener session were genuinely educational. Concepts such as candlestick interpretation, Dow Theory, trend identification, market forces, risk management and risk-to-reward assessment are capable of being explained through actual securities and actual charts. The mere use of an identified security, including a recent security or chart, does not by itself alter the character of such communication.



342. The distinguishing feature in the aforesaid portions is that the communication stopped with teaching the analytical process. The security served as the medium for demonstrating the concept, but the exercise did not culminate in a directional view, proposed trade, entry or exit level, target or stop-loss concerning that security. Applying this test, these communications retain their educational character.

343. Accordingly, I accept the Noticees' contention to this extent. The Eye Opener session contained an educational component and the use of actual securities for demonstrating technical concepts cannot, without anything further, be characterised as investment advice or research recommendation. This, however, has to be distinguished from those discrete portions where the same analytical process was applied to an identified security and culminated in a forward-looking view accompanied by actionable trading parameters. Those communications require separate consideration.

Advisory:

344. I note in respect of Kotak Bank, AS moves beyond explaining the concept and applies the analysis to an identified security to communicate a forward-looking trading view. The distinction is whether the communication stops with teaching the analytical process or culminates in a conclusion concerning a specific security capable of guiding a trading decision.

345. In respect of Kotak Bank at around 00:46:57, AS refers to “*there is a nice green candle*” and immediately thereafter, at 00:47:01, states that he has decided to buy the security on Monday (i.e. the next trading day) immediately qualifying that it is not a ‘tip’. At 00:47:08, while stating that he is not giving a stock tip, he reiterates that he is going to buy the security and that he knows his exit. At 00:47:27, he identifies the security as Kotak Bank and states that he would explain how he would manage his entry and exit in that security.

346. This communication does not stop with explaining what a green candle signifies or how entry and exit management generally operates. AS applies those concepts to Kotak



Bank and communicates the result of that application, namely, his decision to buy the identified security and his confidence regarding the exit. The security therefore ceases to be merely an illustration and becomes the subject matter of the market view being communicated.

347. The communication becomes more specific from 00:53:04 onwards. AS states that Kotak Bank is unlikely to fall below a particular level and, between 00:53:22–00:53:32, identifies that level as ₹1,740. At 00:53:38, he explains that this gives him his exit if his view is wrong. At 00:54:23, he states that if the security falls below ₹1,740 he would no longer remain bullish and would exit with a loss. He thereafter states that he does not expect the stock to fall below that level and that, according to his study, “*now it’s going to go up*”.

348. Thus, the communication contains both the conclusion and the reasoning supporting the conclusion. AS does not merely explain how a support level or exit level may be identified. He communicates that ₹1,740 is the relevant downside level for Kotak Bank, that he proposes to act on that assessment and that his study indicates an upward movement in the security. The analysis therefore culminates in a stock-specific directional view capable of being acted upon.

349. Between approximately 00:57:03 and 01:01:59, AS further explains the open, high, low and close prices and relates the same to Kotak Bank. He notes that the stock opened at ₹1,749, fell to ₹1,740 and thereafter rose to ₹1,787 on April 05, 2024. He explains that the low of ₹1,740 was significant from an exit-management perspective since, according to him, there were no sellers below that level on that day and therefore, he said that it is unlikely to fall below ₹1740. This reinforces that the chart was not being used merely to explain historical price formation. The historical data was being used as the basis for a present conclusion concerning the likely downside in Kotak Bank.

350. At 01:03:14, AS states that he is “*extremely confident*” about the view, though he simultaneously says that participants need not buy the security. At 01:03:19, he states that the low reflected by the green candle provides his exit door and that the position would again be reviewed on Tuesday. At 02:12:18, he again states that he does not think the stock



would fall below ₹1,740, while acknowledging the possibility that his assessment may be wrong.

351. The communication thereafter acquires all the more specific trading parameters. Upon analysing chart for April 05, 2024 (i.e. Friday) at 15 min interval, at around 03:13:30–03:13:53, AS states that he doubts whether the stock would fall below ₹1,761, identifies his risk as approximately ₹20 and thereafter states that his first target would be ₹1,870 if it moves up. At 03:14:44, he expresses the view that the security may cross the relevant level within a couple of days and specifies ₹1,760 as his stop-loss.
352. The fact that AS gave two different stop loss figures over a single session does not disqualify it from being a recommendation. By revising the initial stop loss from 1,740 to 1,760 on a 15-minute timeframe and explicitly quantifying the trade exposure as “*My risk is only ₹20 odd*”, AS provides a precise, measurable risk management framework. A shift in stop-loss parameter is an amendment or reissuance of a distinct trade call, as it fundamentally alters the risk-to-reward ratio for the participants.
353. Between approximately 03:09:59 and 03:14:00, AS again revisits the Kotak Bank chart and examines different time periods, including monthly, weekly, daily, hourly and 15-minute charts, for identifying the trend and the candle which, according to him, was instrumental in changing that trend. This analysis is then linked to his decision to buy the security. Therefore, the communication is not an isolated statement detached from the educational discussion. It is a continuous application of the analytical concepts to Kotak Bank culminating in a specific trading view.
354. Applying the aforesaid test, the decisive feature is that AS does not stop with explaining how candlesticks, trend analysis, support, stop-loss or risk management work. He applies those concepts to an identified security and communicates the outcome of that application: the security he proposes to buy, the level below which his view would fail, his stop-loss, his expected direction of movement and his first target. A participant is therefore given not merely the method of analysis, but also the result of that analysis in a form capable of guiding an investment or trading decision.



355. I also note that the forward-looking nature of the communication is repeated. Expressions such as “*now it’s going to go up*” at around 00:54:33, “*I don’t think it will fall below this*” at 02:12:18, and “*my first target is going to be this, 1870*” at around 03:13:53, are not descriptions of historical chart behaviour. They are contemporaneous assessments regarding the future movement of Kotak Bank.

356. The fact that the Eye Opener session, viewed as a whole, contained educational material does not determine the character of every communication within it. A session may predominantly teach market concepts and yet contain discrete communications which independently cross into investment advice, research analysis or research recommendation.

357. **Conclusion:** Having regard to the foregoing, I find that the communications concerning Kotak Bank crossed the boundary of educational instruction. AS did not stop with explaining candlesticks, trend identification or risk management as general concepts, but applied those concepts to Kotak Bank and communicated the resulting trading view. He announced his decision to buy the security, repeatedly expressed the forward-looking view that it was unlikely to fall below the identified downside level identified upward movement, explained the level at which he would exit if his assessment proved wrong and, upon revisiting the security later in the same session, specified his risk, stop-loss and first target of ₹1,870. The references to ₹1,740 and, subsequently, revised to ₹1,760–₹1,761 are stop loss levels identified. Accordingly, although substantial portions of the session may retain an educational character, these communications contain an identified security, the application of analysis, a contemporaneous and forward-looking conclusion and actionable trading levels capable of guiding a trading decision of the participants.

C2.b.xii. Analysis of allegation in Table 15 (April 07, 2024 - Sunday)

Allegation:

358. AS provides resistance and support level, expected directional movement, stop loss and target level in a security during session conducted for participants of paid course. He also promises course participants of assured returns. He asks them to put a part of their



capital/FD in a specific stock with a promise that it will give them more return than FD. He even suggests how much of course participants'/investors' capital to put in this specific stock based on their risk.

Contentions:

359. This is a GEO Panoramic session conducted on April 07, 2024 (i.e. Sunday) and students attending the session have already completed more than 230 hours of learning and have learnt about chart analysis, special candle based entry, SL identification, target identification, etc. Disclaimer was played at the beginning of the session.
360. Many past dated charts were used as examples to help understand the topics covered and very few recent charts. Kotak Bank example was discussed as it formed a Triangle pattern, a pattern taught to students in the GEO program. The primary focus of the session was risk management, Opportunity Hunting & Opportunity Conversion. AS demonstrates how to follow the check-list of step-by-step analysis before taking a trade decision. No trade tip or advisory is provided during the session.

Consideration:

361. I have perused the communications in this regard.

Education:

362. I note that the second half of the session commenced at 00:18:39 wherein queries of the participants were clarified before proceeding further. Thereafter, at 00:34:25 onwards, AS starts the session by explaining about two setups viz. momentum and swing and runs a poll to understand clarity of concepts taught to the participants and teaches through application of the conditions in the set up by way of examples of NIFTY 50 Index and ITC, fake breakout setup using example of Adani Enterprises. While explaining all these concepts, participants at 00:50:48 pointed out a mistake in notes being recorded by AS which shows participants were actively engaged during the session. Further, during the session master set up i.e. triple screen set up (looking at three time frames) was taught using the same examples of NIFTY 50 Index and ITC before moving on to the example of Kotak Bank at 01:16:46. I note that these communications were in the nature of educational discussion.



Advisory:

363. The impugned session is dated April 07, 2024 i.e. Sunday. I note that after explaining the analytical framework, AS proceeds to apply that very framework to Kotak Bank. At 01:22:29 onwards, he analyzed the trend line break and retest, refers to the high-volume candle, examines Bollinger Band challenge, RSI above 50, stochastic positive crossover and ADX indicators. Having undertaken this exercise, at 01:23:10 onwards, AS states, “*At least mujhe na stop loss clear ho gaya. Now I don't think it will fall below this* (indicating 1732.45).” He thereafter continues to analyze the security through the multiple timeframe approach and states that the hourly and 15-minute waves were aligned as the 4-hourly and daily MACD were positive. He concluded the discussion by stating at around 01:25:05, “*If it continues, we can certainly buy.*” Thus, the communication does not stop at explaining the functioning of technical indicators. Rather, the indicators are successively applied to Kotak Bank by AS to eliminate uncertainty, determine the stop-loss, assess the future direction of the security and finally arrive at a buying conclusion.
364. The statement that Kotak Bank was unlikely to fall below ₹ 1,732.45 is not merely a description of how a stop-loss may generally be found. It is a present opinion about the future performance of a specific listed security and supplies the downside boundary of the proposed trade. Read with the reasoning and the buying conclusion, it is capable of providing a basis for an investment decision within Regulation 2(1)(w) of the RA Regulations.
365. The principal defence of the Noticees is that the above discussion merely represents application of the checklist taught during the course. The relevant issue is not whether AS followed the checklist, but what emerged after applying the checklist to Kotak Bank is important consideration. The transcript and clip demonstrate checklist logic was utilized by him as part of his own analytical exercise. The trend line, wave structure, Bollinger Band challenge, RSI, stochastic crossover, ADX, stop-loss and multiple timeframe analysis were not discussed as independent educational concepts. Each analytical step was used to validate or reject the investment hypothesis in Kotak Bank until AS reached the conclusion that the stop-loss had become clear, the stock was unlikely to fall below that level and, if the identified conditions continued, there would be a buying opportunity.
366. It is relevant to note that in the earlier example of NIFTY 50, ITC and Adani Enterprises portions, the recorded output is the method and the participants are left to



perform the analysis. In the Kotak portion, AS himself applies the checklist and communicates its output namely the likely downside, the buying condition and, later, the target and manner of deployment. Thus, the checklist did not remain an educational aid. It became the methodology through which AS conducted his own research analysis of Kotak Bank and communicated the conclusions emerging from that analysis.

367. Had AS confined himself to explaining that traders may generally identify trend line breakouts, significant candles, stop-losses or risk-reward ratios, the communication would have retained its educational character. Such explanation could equally have been imparted through historical or anonymized charts where the analytical outcome was not capable of immediate implementation. In the present case, however, AS himself undertook the entire analytical exercise on an identified security (on a Friday chart) and communicated the result of that exercise. Participants were therefore not merely taught how analysis may be undertaken. They were shown the analytical conclusion reached by AS in relation to Kotak Bank. Therefore, the discussion becomes the foundation of a security-specific analytical opinion rather than remaining independent pedagogical discussion.

368. At around 01:48:06 onwards, AS states, *“I’m not looking at Kotak Bank only as a single trade but I am looking at it as a huge opportunity.”* He explains that if the sideways trend culminated in the anticipated fifth wave, the target would be *“more than 2200”* and that such opportunity may materialize over a period of one year. The communication is going beyond the stage of expressing a buying view. It states AS’ expectation regarding the future performance of Kotak Bank. When communicated with the supporting wave and indicator analysis, it is also a research recommendation or securities opinion providing a basis for an investment decision .

369. AS thereafter proceeds to communicate how that opportunity may be exploited. He states at around 01:48:50 that he would *“milk a lot of small opportunities”* through option selling, option buying, long futures and by *“keeping equity long”*. He further states, *“So now it is so easy I can just buy Kotak ka equity because I know my stop loss.”* Now the communication has moved beyond expression of an opinion regarding future market behaviour. The anticipated price movement is translated into specific trading and investment strategies by identifying the manner in which the opportunity may be utilized.



The communication thus extends from analysis of the security to implementation of the analytical conclusion.

370. The Noticees have contended that the discussion merely illustrated money management principles and the 2% risk management rule through the checklist taught during the programme. Here, again, the discussion on capital allocation does not take place in isolation as a theoretical exercise. It follows the analytical conclusion already reached by AS that Kotak Bank presents a significant opportunity, that the stop-loss is clear and that the security is unlikely to fall below the identified level. It is only after arriving at these conclusions that AS proceeds to discuss the proportion of capital which may be deployed in Kotak Bank. Thus, the capital allocation exercise is itself founded upon the AS' analytical conclusion concerning the security. The checklist relating to risk management is therefore used not merely to teach money management but to determine the extent to which capital may be committed to Kotak Bank based upon the confidence generated by the preceding analysis. Therefore, I am unable to accept the contention of the Noticees in this regard.

371. Advice on how much of a portfolio should be committed to an identified security is advice on an investment portfolio containing securities within Regulation 2(1)(l) of IA Regulations. When the allocation follows a buy conclusion, known stop-loss and expected upside, risk management is being used to operationalise the security-specific advice rather than being taught only as an abstract rule.

372. This is further evident from the subsequent statements. From 01:49:00 onwards, AS states that, instead of keeping funds in fixed deposits, he would rather purchase ₹1 crore to ₹1.5 crore worth of Kotak Bank due to clarity of stop loss. He further states that if a person had ₹5 crore, ₹1 to ₹2 crore could be invested in Kotak Bank and even where the capital was lower, a substantial portion could be parked in the stock because "*it has not fallen below this, so there is nothing to fear*" at around 01:50:17. AS thereafter, based on the stop loss levels, quantifies the stop-loss percentage at about 3% to 4% and explains that 50% of capital or at least 25% could be deployed depending upon the acceptable level of risk and further suggested adoption of a covered call strategy. Finally, he explains that if the anticipated movement materialized, the investor could earn returns several times the



identified risk without having to do anything. The communication thus identifies the security, expresses an expectation regarding its future performance, communicates the manner in which the opportunity may be acted upon, specifies the extent of capital deployment and discusses derivative strategies in relation to the same security.

373. Noticees have submitted that these discussions merely explain risk management. Risk management, position sizing and capital allocation are undoubtedly legitimate educational subjects. However, in the present case, those concepts are not discussed independently. They are inseparably linked with the analytical conclusion already reached by AS in relation to Kotak Bank. The discussion therefore does not explain how capital allocation may generally be undertaken across different investments. Rather, it explains how much capital may be allocated to Kotak Bank because, according to AS, the stop-loss is clear, the downside is limited and the expected upside is substantial. The educational concepts are thus utilized to reinforce and operationalize the analytical conclusion concerning the identified security.

374. In the instant case, the communication follows a continuous sequence. Kotak Bank is identified. Live market data is analyzed. Technical indicators are successively evaluated. A future price expectation is formed. A buying view is communicated. Stop-loss levels and targets are identified. The opportunity is characterized as a long-term investment opportunity. The amount of capital which may be committed to the security is discussed. Trading and investment strategies, including option selling, option buying, long futures, equity investment and covered calls, are suggested as methods of exploiting that opportunity. Therefore, I note that research analysis preceded before a comprehensive security-specific market view is communicated by the Noticee. Accordingly, I am unable to accept the contention that the impugned communication is essentially educational in nature.

375. Similarly, I am unable to accept the contention that the communication represented only “what-if analysis”. Perusal of the transcript shows that it begins with discussion of alternative scenarios. However, it does not conclude there. After evaluating multiple technical indicators, AS expresses his opinion that the stop-loss had become clear, that the stock was unlikely to fall below the identified level and that, if the identified conditions



continued, the security could certainly be bought. The communication is analysis of possibilities by communication of concluded market view.

376. **Conclusion:** Based on the foregoing discussion, I find that AS does not merely explains the technical indicators; however, these indicators are applied to an identified security i.e. Kotak bank, identification of stop loss/targets with an expected risk and provides an opinion about its future performance thereby resulting in a concluded market view with a supporting wave and indicator analysis and specific trading and investment strategies. I further note that AS identifies the estimated risk based on % stop loss and the proportion of capital allocation based on these parameters. Therefore, I find that concepts are used to reinforce the analytical conclusion regarding the identified security and fall under the definition of research analysis subsequently resulting in a security specific market view.

C2.b.xiii. Analysis of allegation in Table 16 (August 31, 2023 - Thursday)

Allegation:

377. ASTAPL/AS is providing resistance level, trading strategy, stop loss level and expected directional movement in a security during live session conducted for participants of paid course. On silver future he is directly giving advice to course participants/investors about what to do.

Contention:

378. The impugned communications have been viewed in isolation without considering the context in which it occurred.
379. This was a non-market hour, a Gurukul Samanvay 03, Pre Samanvay review session held on August 31, 2025 i.e. Sunday which was planned six months in advance. It is also stated that the disclaimer was played at the start of the day clearly mentioning that ASTA does not offer advisory services, is not a stock tip provider and decisions taken by students are solely their responsibilities. Further, the session was conducted after 228+ hours of GEO course sessions and 10+ non-market hours of revision sessions.
380. The purpose of this training session was discussion on SWOT, trade plan, process goals and pain areas and revision of GEO concepts which is a pre-requisite for Samanvay. AS extensively teaches about strengths and weaknesses of a trader, importance of



preparation and opportunity analysis. In the context of preparation and opportunity analysis, AS discusses about silver chart but does not take any trade or asks students to do so. Post discussion of this particular example, AS immediately falls back to discussion on documenting trade, best trades and bad trades to identify weaknesses. The transcript “*Dus lot cover kar leta hun*”, was done in the context of price action and AS doesn’t ask anyone to act. AS focuses on self-analysis as a trader, gives homework to students to come up with documentation of “*My Best Trades*” and details like “*How did I enter*”, “*How did I exit*”, “*How much capital I deployed and which set up was used*”. If the video is seen in this context, the live chart references that are mentioned are purely for training purposes which has been misrepresented as tip/advisory.

Consideration:

381. I have examined the aforesaid communications.

Education:

382. I note that the session commenced at 00:18:07 onwards with the monitors checking with participants about submissions of trade plans, SWOT analysis and explaining importance of having a trade plan before execution besides addressing on the areas of concern highlighted by the participants and this went on till 00:36:50. Thereafter, AS joins the session at around 00:36:51 and expresses disappointed for non-submission of SWOT and trade plan. He says that the reason for confusion and inconsistency is on account of lack of planning somewhere around 00:46:27 and emphasizes that planning is one of the most important aspects of the Samanvay program. Then after discussing charts, around 01:25:36 onwards till 01:41:42, AS asks if anyone has doubts and couple of participants’ share their experience of trades done in the past and which set up they used, mistakes committed such as not putting stop loss, not having exit strategy which resulted in loss, etc. and doubts regarding preparing SWOT analysis. AS further probes by asking about whether there was a plan, how did they react when there were losses, was there any set up, how was it executed, etc. and then asks them to document all these things as a learning tool and follow process.

383. This discussion on doubt solving on SWOT followed by participation by couple of the attendees to share their feedback w.r.t. execution of trades including use of set ups, mistakes



committed, etc. underscores an educational set up for reviewing takeaways of the participants and appears to have been intended to clarify doubts of the participants. This coupled with AS' emphasis on "*documenting the experience in best as well as worst trades as a learning tool*" along with clarification that "*best doesn't mean trade with highest profit but where they had followed process, had a plan and executed in line with that*" explicitly indicates that participants were instructed to analyze their journey of trading and document the same for learning which appears as pedagogical nature.

384. I further note that he explains that if during an intraday trade if one has made big profit because of big candle, it should be considered as sheer luck and doesn't mean that they are pro traders but if one analyses such big candles over weekly or monthly chart and makes profit, it can be considered as a good trade for recording learnings. This again appears to be pedagogical nature of the session.

385. Thereafter, he goes on to explain his trades in PFC at around 01:13:13 says that "*Maine aaj pata tha mere paas equity bhi hai toh maine covered call karke rakhe the 370 ka call. Aur 370 ka call mera short tha then I was like ye kya hoga. Lo look at this candle man. Toh aaj 15 minute mein kya hua dekho.*" He then says that the day before the session he was anticipating a high and accordingly he had marked 'wedge pattern with divergences' emphasizing importance of preparation as it was decided to sell call if it goes up and does a fake breakout and then shows candles in the first 15 minutes on the day of the sessions and asks participants whether there is an opportunity or not and what should be the course of action and at what price point and after participants answer, he says this was possible because of the underlying preparation. This shows that he involved students to apply their learnings and therefore, appears to serve pedagogical purpose.

Advisory:

386. The session is stated to be conducted on August 31, 2023 i.e. Thursday. Now, I move on to analyze the example covered by AS which are contended to be used for teaching strengths, weaknesses of a trader, preparation and opportunity analysis. I note that, at somewhere around 00:49:46, he says that he will show what preparation is and shows chart of 'Silver 1!'. I note from the discussion during the period of the session i.e. from 00:50:22 till 00:51:55, AS shows chart for silver. While I accept that the explanation during this time period demonstrates identifying an opportunity and importance of preparation before actual



trade as he used historical data; however, at 00:52:32, AS says “*kal maine silver short kiya hai, by the way. Tab tak long tha. Kal maine mast call bech diye, 7000, 76000 call becha hai, 77000 call becha. Call bech ke baitha hoon*” while showing his trade screen. The communication, therefore, does not convey any analysis but communicates that the trainer has a bearish or neutral stance on silver. It no longer remains just a theoretical analysis; but signals high-conviction execution. Further, at around 00:55:08 he shows a chart and puts an alert for Silver futures above ₹ 75,941 which further indicates providing a specific target which goes beyond mere analysis.

387. Pointing to the chart AS explains long position set up from August 18, 2023. Anticipating a market bottom, he spoke about marking a trend line entry trigger at a specific price level with Bollinger band which indicated a reversal from lower band establishing a price target at the upper end to a certain level. Then says this is what happened on August 30, 2023 and says that this is called an opportunity. He further says that he exited his position in current series (August 2023) during bounce as expiry was also approaching and in next series (September 2023) he again sold some calls which further corroborates providing specific actionable advice which is beyond analysis.

388. Further, he emphasizes that trading excellence isn't about constant action; once your positions are set, you must have the absolute patience to sit tight for few days (i.e. 9 days in this example), allowing the market time to hit your targets while confidently managing the predefined risk which appears to impart an educational lesson of exercising patience. However, between 01:00:03 till 01:10:36, he, *inter alia*, analyses Silver futures chart as on August 30, 2023 and says that there is an opportunity, there is YNJ so it won't go above 75,934 and 76,000 strike price call can be sold. He says that one can sell one lot of 76,000 which is at a strike price of 2,280. I note that here, he not only analyzed the chart but also indicated 76,000 as a major resistance level indicating that the price may struggle to break above this range prompting a short position. Further, by saying if it crosses 75,996 then can go long along with covered call, AS identifies a breakout confirmation and also suggests subsequent actionable strategies. I do not accept the Noticees contention that AS only uses charts but does not take any trades or asks students as I note that he places some of his orders during the session and justifies the same by identifying various parameters in support of his decisions. I note in the discussion related to this particular security, he is providing



resistance level (76000), trading strategy (covered call) and expected directional movement in an identified security.

389. He further says “*silver abhi idhar cover karne ka hai, yahan se ghoomega*” at around 01:10:32 but does not display any chart. Thereafter, he asks the participants which indicator they will apply and where would they apply the indicator by displaying a chart of silver futures at around 01:10:48 and participants give answers which again demonstrates educational element. However, thereafter he goes and check Heinken Ashi and says at around 01:11:30 that “*Soch raha hoon is put ko bech doon; 76,000 ka put*”. Again at 01:17:40 onwards, he return to the example of Silver futures and says “*now I think it’s a bottom.. Shakeout kar raha hai Silver....., agar iske upar jayega to we can go long kyunki ye evening star hai*”. This is followed by a statement “*To agar isko follow up nahi aata hai, kal, parso. Agar iska low nahi jaata, kal, parso, to make no mistake, iska high jaega*”, “*To call to beche hain, to kya karna padega? Long karke baithenge.*”, “*Abhi to futures cover kiya, baad mein long karenge*”. Therefore, I note that the discussion did not stop at only analyzing the chart but also giving an actionable output for an identified security.

390. He takes the example of PFC at around 01:14:00 and says that at 9.35 am i.e. after first 15 min when there was follow up, he sold PFC 275 CE option trading at a premium of ₹ 9.70 but he only got 3 out of 10 lots. He further goes on to say that he got the order for PFC somewhere at a premium of ₹ 8.50 then went till ₹ 4.70 but when on the beginning of the wedge, indicating a target of ₹ 250 (spot price), he will go long as per his preparation in this stock if the level cross his anticipated target of ₹ 250.

391. He further says that “*anchor ko na hamesha support le raha tha. Idhar bhi liya, idhar bhi liya. Yahan to nahi gaya tha wahan tak. But abhi usne anchor toda hai. To I think any bounce near 262 or so aur ye level pe agar koi bounce milega na to main wapas short karunga*”, “*Kyunki maine filhaal to cover karke rakha hai. Kyunki itna achchhe points mil rahe hain to le lete hain*”. I note in the discussion related to this particular security, he is providing trading strategy (i.e. he will short if there is any bounce near 262 or so) and expected directional movement in an identified security.



392. The contention that these communications formed part of an educational discussion on opportunity hunting does not support the case of the Noticees. While he explains that this is how one should record what was the trade, what chart was referred, how much profit was booked, how much ROI was achieved and how the execution was done which indicates that he is trying to impart an education lesson that how one should learn from their past trades. However, a concept can be taught through historical examples, hypothetical illustrations or anonymized charts. The above discussions, however, culminated in futuristic opinion about particular securities, specific strategies, his own anticipation in those securities by creation of an alert, placement of orders during the session, etc.
393. The communications w.r.t. going long on call, identifying stop loss, support level, creation of alert, sell call, placement of orders, future expectations or strategies or actionable output and a rationale underlying that view. These communications, therefore, provide the participants with both the conclusion and the reasoning supporting the conclusions. The fact that educational instruction comprised majority of the session, does not alter the character of communications which otherwise independently amount to investment advice, research analysis or research recommendations under the extant Regulations.
394. **Conclusion:** I find that AS did not stop with explaining opportunity identification, preparation, patience or review of past trades. In Silver, AS disclosed that he had shifted from a long position to a short view and had sold the 76,000 and 77,000 Call options. He thereafter stated that Silver was unlikely to move above 75,934, identified the 76,000 Call as an instrument that could be sold and discussed an entry recorded as 2,280, while also stating that a move above 75,996 would warrant taking a long position with a covered Call. His subsequent statements that Silver should be covered at the prevailing level, that he was considering selling the 76,000 Put, that the market appeared to be forming a bottom and that he would go long if the identified high was crossed reflect an evolving and conditional response to a possible reversal, rather than simultaneously operative or internally inconsistent trading calls. In PFC, AS disclosed the sale of a Call option at ₹9.70, of which three out of ten lots were executed, referred to a conditional long position at a lower level



and, after explaining that the anchor support had broken, stated that he would short the security again upon a bounce near the level recorded as 262. The unambiguous communications concerning the executed Call sale, covering of the position, proposed re-entry on a bounce and change to a long position conveyed AS's present and future trading responses in the identified instruments. Thus, the participants were provided not merely with the method of analysing an opportunity but with the instruments selected, positions taken, directional assessments, entry and reversal conditions, option strategies and the manner in which AS proposed to act upon changing market conditions.

C2.b.xiv. Conclusion w.r.t. stock advice/recommendation provided by ASTAPL/AS through sessions:

395. In view of the foregoing discussions, I find that while there are educational elements, the specific instances identified under the advisory sub-section above occupied a distinct and separate regulatory dimension. During these illustrative examples, Noticee No. 2 during the sessions identified specific securities, forecasting short term/long term price movement, executing live market trades, setting real-time alerts and providing prescriptive targets, support levels or resistances. Consequently, participants were not merely taught an analytical framework to exercise independent judgment; they were handed pre-packaged, actionable conclusions ready for immediate market execution. Therefore, the overall educational nomenclature of the program cannot mask, alter or dilute the independent legal status of these specific communications. By virtue of their objective content, presentation, and immediate commercial effect, these illustrative examples independently fulfil the statutory definitions of the IA and RA Regulations, irrespective of the educational framework within which they occurred.

C2.c. Consideration w.r.t. stock advice/recommendation provided by ASTAPL/AS through WhatsApp Groups

C2.c.i. Allegation:

396. The Interim Order alleges that that ASTAPL/AS had been providing stock recommendations on a regular basis through WhatsApp groups, including stop-loss levels, targets, and forecasts of the directional movement of specific stocks. It also alleges that AS



had shared positions taken/ to be taken, trades executed/to be executed by him in the market with the intention of inducing the course participants/investors to trade in securities based on this advice/recommendations. In the aforesaid chats no element of investor education is noted and the same was *prima facie* alleged to be in the nature of investment advice/recommendations/trade calls.

C2.c.ii. Contention:

397. Reliance on excerpts from WhatsApp is fundamentally misplaced and stems from a complete misunderstanding of the nature, purpose, and operation of these groups. The communications shared within the groups consistently demonstrate the study, analysis, and practical application of previously taught concepts. They do not constitute trade instructions, execution guidance, or investment advisory services. To properly evaluate the context of these screenshots, the WhatsApp chats must be reviewed in their entirety. The examples provided are strictly for educational purposes and do not constitute investment advice.

398. These groups do not operate as subscription-based services; rather, they function solely as a communication bridge to facilitate an effective understanding of the concepts taught. The WhatsApp chats are not part of the course description advertised by the Noticees, nor are they listed as deliverables in any course brochure, website, or enrolment document. The Noticees have also contended that longevity of these groups far beyond the course period contradicts their characterisation as a paid advisory service. As educational inputs are shared voluntarily without any subscription renewals or fees, the “paid advisory” presumption is legally and factually unsustainable.

C2.c.iii. Consideration:

399. I note that the allegations of stock recommendations/advice through WhatsApp are pertaining to VOW groups and Mentorship program.

400. The Interim Order states that ASTAPL/AS had created multiple private WhatsApp groups named “ASTA:VOW 25-26”, “ASTA:VOW 24-25”, “ASTA:VOW 23-24” and “ASTA:VOW 22-23”, wherein course participants/investors enrolled in the VOW Groups



were admitted as members by payment of an annual fee to be part of these groups. It was alleged that the contents of the WhatsApp groups showed that AS provided stock recommendations/advice on a regular basis, including stop-loss levels, targets, and forecasts of the directional movement of specific stocks.

401. The Noticees have submitted that AS is not a part of any other WhatsApp groups that may involve persons connected to any other course except the “Mentorship Course”; however, I note that he is a part of the VOW WhatsApp Groups as well.

402. Further, some of the messages provided to the course participants/investors of the VOW group are illustrated below:



Figure 1 Illustration of stock advice/recommendation in VOW Groups

WhatsApp - ASTA:VOW 25-26

04/04/2025

Replying to [redacted], 2025-04-04 20:24:56: « Wow... This price for crude was last seen in April 2021 !! »

Yeah, interesting times, seems that all the commodities are getting revalued to their real prices LME & COMEX on the verge of declaring bankruptsy as they sold more derivates than what they have in their physical stocks

20:26:47

Dr. Rishi Shah MHA (+[redacted])

Replying to [redacted], 2025-04-04 20:26:47: « Yeah, interesting times, seems that all the commodities are getting revalued to... »

???

20:43:42

AS- Avadhut Sir (+[redacted])

Looks like time to cover Gold and silver

20:50:30

AS- Avadhut Sir (+9[redacted])

Snap Quote of GOLD995 - 7MDD01											
MC	Normal	OUTPUT	SOLD	PE	98800.00	38Apr2025	Value : 2709.52105 Cts				
2	2367.50	2370.50	1	1		8.88	Buy Carrying Cost		NA		
1	2366.50	2371.00	4	2		LTQty	1 @ 2299.00	Open	1535.68	Sell Carrying Cost	NA
1	2376.00	2375.50	2	1		LTPV	NA	High	2497.58	Open Interest	258(bats)
1	2375.50	2401.50	1	1		ATP	1675.97	Low	1124.58	% Chg Open Interest	-23.50
1	2388.00	2426.00	1	1		Volume	3821	Close	1518.58	Tot Open Interest	8(bats)
TRQ	27			40	TSQ	% Chg	74.36	Low Chk Lim	1.00	Upp Chk Lim	9645.00
LT	04Apr2025 20:49:03			LT	04-Apr-2025 20:50:31	UnchTP	68416.88	52 Week High	2500.00	52 Week Low	924.50
CR Rating	NA					Net Chg	989.58	52 W High/Low	NA	52 W Low/Hi	NA
Low LPP : 8.88 High LPP : 9.00 Settlement Type : NA											
Qty : -18	B-ATP :	S-ATP : 2316.72	Value : 4170100.00	Gain/Loss : 0.00	MTM : 31900.00	OverAll-MTM : 31900.00					

90000 PE .. which I had build during Gurukul Aarambh near 950

110.60 KB

20:51:00

20:51:08

Shraddha Ramar Sethi (+[redacted])

Sir what about NG?

20:53:25

AS- Avadhut Sir (+[redacted])

NG I am still hodling my shorts..

21:03:26



WhatsApp - ASTA:VOW 24-25

13/08/2024

AS- Avadhut Sir (+[REDACTED])

IndusInd Bank 🙄
was covered as long in yesterday's live session too.

11:32:51

AS- Avadhut Sir (+[REDACTED])



BTW exited near the TL resistance

248.20 KB

13:05:24

AS- Avadhut Sir (+[REDACTED])

Snap Quote of - -7MDD01									
INFO	Normal	FUTS TK	INDUSIND	XX	0.01	25Aug2024			
S	2500	1352.10	1352.60	5000	1	Est Price :	0.00	Value :	681.29818 Crs
I	500	1352.05	1352.65	10000	2	LTQty :	500 @ 1352.30	Open :	1357.65
I	500	1351.90	1352.75	50000	3	LTPY :	NA	High :	1377.50
I	500	1351.85	1352.80	5000	1	ATP :	1364.78	Low :	1356.60
I	500	1351.80	1352.85	500	1	Volume :	4992900	Close :	1356.15
						% Chg :	-0.28	Low OHL Lim :	1228.55
						Unb.TP :	1347.35	52 Week High :	NA
						Net Chg :	-3.85	52 W HighDt :	NA
								52 W LowDt :	NA
TBQ :	185860		518000		TSQ				
LTT :	13-Aug-2024 13:05:18		LUT :	13-Aug-2024 13:05:20					
CR Rating :									
Qty : -10000 B-ATP : 5-ATP : 1375.00 Value : 13750000.00 Gain/Loss : 0.00 MTM : 227000.00 OverAll-MTM : 227000.00									

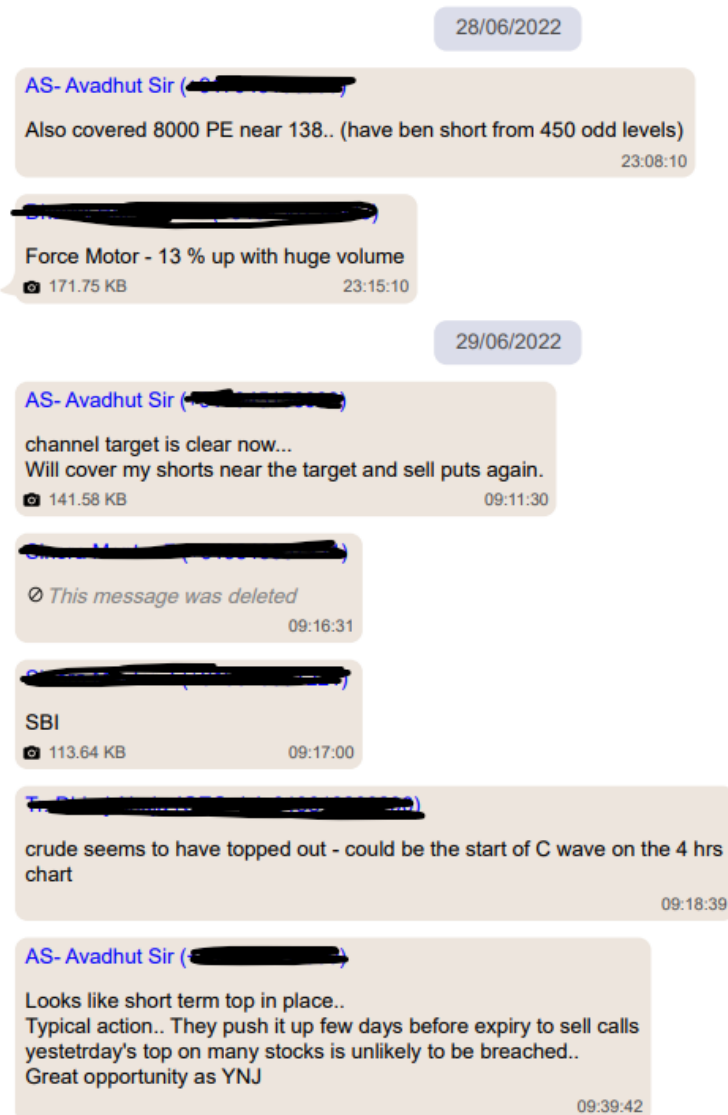
sell when you feel like buying

105.69 KB

13:05:39



WhatsApp - ASTA VOW 22-23



Analysis of Figure

403. On August 13, 2024, at 11:32:51, AS stated that IndusInd Bank “*was covered as long in yesterday’s live session too*”. This identifies the stock and the direction of the position discussed in the live session. Subsequently, at 13:05:24, he shared a chart of the same stock and stated, “*BTW exited near the TL resistance*”. The chart and the accompanying statement connect his technical assessment of trend-line resistance with the decision to exit. At 13:05:39, he further stated, “*sell when you feel like buying*”. Read together, these communications convey a long view, an assessment of the level at which that view should



be acted upon or reconsidered, and a selling response. The participants receive both the technical assessment and its application to trading in the identified stock.

404. The communication dated April 4, 2025, at 20:50:30, provides a more direct instance of guidance concerning closure of positions. AS stated, “*Looks like time to cover Gold and silver*”. In the trading context of the exchange, covering signifies closing a short position. The expression “*time to cover*” communicates his assessment that closure is appropriate at that stage. Although qualified by “*looks like*”, the statement conveys a present trading conclusion. It does not merely explain what covering a position means or the circumstances in which covering may generally be considered.

405. The subsequent exchange concerning natural gas demonstrates guidance on continuation of a position. At 20:53:25, a participant asked, “*Sir what about NG?*” AS responded at 21:03:26, “*NG I am still holding my shorts..*”. The question follows his communication concerning covering positions in gold and silver. His response distinguishes natural gas from those instruments and communicates that his short position in natural gas is being continued. Although expressed in terms of his own holding, the response supplies the participant with his current trading stance on the instrument specifically raised. Its significance arises from the question and the surrounding exchange, rather than from disclosure of a personal holding alone.

406. At 20:51:08 on the same day, AS also shared a trading-terminal screenshot and referred to “90000 PE”, stating that he had built the position during Gurukul Aarambh near 950. This identifies a particular gold put option and connects the position with an earlier course setting. Read with the immediately preceding statement concerning covering gold positions, the communication places the current guidance in the context of an identifiable option position. The reference to Gurukul Aarambh also shows a connection between the course and the subsequent discussion of the trading position. It does not, by itself, establish the precise instruction given when the position was originally built.

407. The message dated June 29, 2022, at 09:11:30, further demonstrates the manner in which analysis was translated into proposed trading action. AS stated, “*channel target is*



clear now...” and that he would cover his shorts near the target and sell puts again. The communication contains a present assessment of a chart target, a proposed exit from existing shorts and a proposed further transaction.

408. I consider that the use of first-person expressions such as “*I exited*” or “*I am still holding*” requires examination in context. A statement of a completed personal trade, standing alone, may be a historical account. Here, however, such statements occur alongside an identified stock chart, a present indication that it is time to cover positions, or a response to a participant seeking a view on another instrument. In those circumstances, disclosure of AS’s own action operates as the means through which his trading assessment is communicated to the participants. The inference of guidance rests on these surrounding circumstances.

409. The IndusInd Bank example thus demonstrates communication of technical analysis and the trading conclusion drawn from it. The gold and natural gas exchanges demonstrate guidance concerning closure and continuation of positions. These functions can be performed through a chart, a short message or an answer to a participant’s question. Their inclusion in a teaching or mentorship setting does not alter the content actually conveyed.

410. I note that the consideration is received by the Noticees for admitting the participants in the VOW Group by payment of an annual fee by the participants. I further note that the Noticees have not disputed this allegation. In view of the above, I find that AS imparted advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products (viz., suggestions of entry/exit, suggestions of stop loss, forecasting of directional movements of specific stocks, sharing trades executed/positions taken by AS, sharing live trading positions, etc.) in lieu of consideration on these VOW WhatsApp groups.

411. I now proceed to analyze the allegation in respect of the stock advice/recommendation provided by ASTAPL/AS through WhatsApp group of the Mentorship program.

412. The Noticees have argued that SEBI has overlooked the fact that the WhatsApp chat do not form part of the course description as advertised by the Noticees and that the WhatsApp chats are also not a part of the course structure of any of the courses provided by the Noticees. It is the case of the Noticees that WhatsApp groups are unrelated to the



educational services provided by them in exchange for tuition fees, rather they operate as a voluntary communication bridge that persist indefinitely post course completion. Since the WhatsApp chats are not listed as official course deliverables in any course brochure, website or enrolment document and since no separate renewal fees are charged, there is no “paid advisory” nexus to the formal educational services.

413. I note that the fact remains that the Noticees granted access to these WhatsApp groups exclusively to participants upon their enrolment in the paid Mentorship program. An individual could not gain entry to these specific WhatsApp groups without payment of the course fees. As this entry barrier is structurally and absolutely conditional on monetary payment, the access to the WhatsApp groups satisfies the definition of consideration under the IA and RA Regulations. The Noticees cannot artificially unbundle the WhatsApp group access from the core course deliverable simply by omitting it from their marketing brochures or enrolment documents. The reality is that the access to the WhatsApp groups was an integral, value-added component wrapped into the initial enrolment package which is further corroborated by their own submissions that these messages often serve as a direct extension of classroom discussions. Therefore, I find that the consideration is received by the Noticees for the Mentorship Course and the participants were admitted in the WhatsApp mentorship group as an extension of the classroom training.

414. Further, it is the Noticee’s case that Mentorship course is a long term program conducted across 12 months’ sessions with 2 residential off-sites which is claimed to be teaching advanced technical analysis concepts and training to develop their own trade plans, risk management rules, etc. It is also submitted by the Noticees that completion of 4-month GEO program and clearing of a personal (1-1) interview are the pre-requisites for this program. The program claims to include 1 mentorship session conducted every month followed by a revision session, 2 GEO programs of 4 months each and 2 offline sessions of 4-5 days each.

415. The Noticees have also contended that the members of the WhatsApp groups have undergone more than 1000+ hours of structured education through progressive programs including SMM, PAPA, FOME, GUE followed by optional advanced programs such as GEO+ and Mentorship. These programs span several months and involve structured sessions, assignments, supervised practice, and concept assessments, covering technical analysis, price action, market structure, strategies, and risk-reward frameworks.



Participants entering mentorship are therefore analytically trained individuals capable of independent interpretation and evaluation, and not uninformed or first-time market participants. In this regard, I note that analytical capability, training, independent evaluation skills of the participants are not relevant to the determination of whether the communication falls mischief of the IA/RA Regulations. If a communication possesses the essential characteristics of investment advice/research analysis under applicable regulations, it is classified as such under the law, regardless of the sophistication of the recipient.

416. Further, I find no merit in the Noticees' arguments that messages by AS constituted merely 5% of the aggregate communication, nor does the presence of voluminous peer to peer discussions alter the regulatory character of the specific communications by AS. In determining whether an entity is engaged in the business of providing investment advice/research analysis, quantitative volume is entirely irrelevant. It is the qualitative nature of the communication that is determinative.
417. At best, the extensive peer to peer interactions and voluntary market insights indicate that education was occurring through community discussions. However, the presence of an educational discussions among peers does not alter the distinct nature of individual communications which fall under the IA/RA Regulations. The uncontroverted fact remains that whether these specific communications explicitly projected the future movements of named securities and provided executable trading parameters such as entry points, targets, and stop-losses, etc. When an individual communication by AS possesses a character that is immediately actionable and executable by any person, it falls within the definition of investment advice/research analysis.
418. Further, I find no merit in the Noticees' contention that classifying rare and contextual communications of Noticee No. 2 as investment advice leads to a 'manifest absurdity' or risks criminalising routine, peer-to-peer market discussions. I note that this argument completely ignores the foundational element of commercial consideration and the structural relationship between the parties. Routine, peer-to-peer conversations among retail investors are voluntary exchanges devoid of any commercial consideration.
419. With regard to the Noticees' contention that chat logs contain multiple timestamped instances where the mentor explicitly refuses to give tips and directs students to "*follow the process*" and "*study*" independently, I note that merely appending a disclaimer or use of



cautionary catchphrases or instructing members to study independently does not alter the prohibited communication which is advisory or research analysis in nature.

420. I now proceed to analyze the messages on the Mentorship WhatsApp groups. I note that there is peer to peer discussion happening on the group as illustrated below:

Figure 2 Illustration of per-to-peer discussions in Mentorship 12

WhatsApp - ASTA - Mentor Batch 12

02/04/2024

Replying to Sanjay L.K (Tirtha Enterprises), 2024-04-02 11:42:38: (Image)

I saw Bearish RD in ITC... Please confirm

12:04:28



Replying to [redacted], 2024-04-02 12:04:28: « I saw Bearish RD in ITC... Please confirm »

Yes in fact I am also saying if price is falling till 50% Retracement I m going to buy there with strict SL.

12:28:05

Ok ok

12:28:19

Because After Double Bottom on Daily TF it has done 1 HL and it may fall from Trendline resistance to make 2 HL that's near 50% Retracement. And then if it is falling further will take SL else it may go up by BO of Trendline for 3rd wave.



WhatsApp - ASTA - Mentor Batch 12

03/04/2024

Product	Instrument	Qty.	Avg.	LTP
NRML	USDINR APR 82.25 PE CDS		0.2400	0.5350

I covered my covered leg 82.25 PE @ 0.24 (deep OTM & yesterday close was 0.0425 now it's showing 0.53....

9.78 KB 09:38:23

Compassion.... Price aur uppar jane do... 🙏

09:41:43

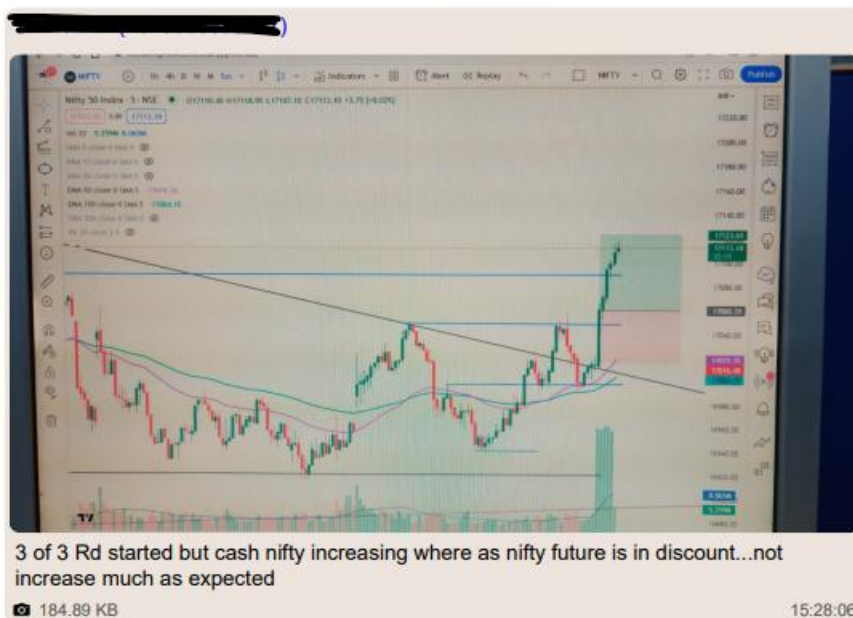




Figure 3 Illustration of per-to-peer discussions in Mentorship 11

WhatsApp - ASTA - MENTOR BATCH 11

29/03/2023



Is it not on a lower time frame of 5 minutes?

15:29:23

Yes it's 5 mins but waves react the same

15:30:57

I think it is Better to observe in higher time frame.

15:32:15

Monthly weekly and daily.

15:32:53



WhatsApp - ASTA - MENTOR BATCH 11

28/03/2023



Replying to [REDACTED], 2023-03-28 14:51:26: « It seems sort of 2nd wave on daily because 78% retracement done »

W8 for weapon

14:52:21

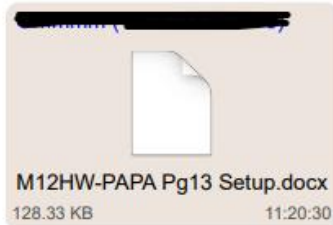
421. There are also certain examples, as illustrated below, which are shared on these WhatsApp groups:



Figure 4 Illustration of investment advice/research analysis in Mentorship Groups

WhatsApp - ASTA - Mentor Batch 12

02/04/2024



AS- Avadhut Sir

Snap Quote of -- 7MDD01

NFO	Normal	FUTS TK	BUY/SELL	CE	75.00	25Apr2024	Value:
5	40000	79.55	79.60	75000	8	Est Price : 0.00	331.48385 Cys
19	232500	79.50	79.65	360000	30	LTQty : 7500 @ 79.60	Buy Carrying Cost : 0.07
21	232500	79.45	79.70	247500	27	LTPY : NA	Open : 78.05 Sell Carrying Cost : 0.09
17	165000	79.40	79.75	262500	22	ATP : 78.77	High : 79.65 Open Interest : 326870000
14	142500	79.35	79.80	652500	54	Volume : 42082500	Low : 77.60 % Chg Open Intrest : -0.15
						% Chg : 2.12	Close : 77.95 Tot Open Interest : 535957500
						UndrTP : 79.28	52 Week High : NA 52 Week Low : NA
						Net Chg : 1.05	52 W HighDt : NA 52 W LowDt : NA

OTV : 0 B-ATP : 77.82 S-ATP : 79.43 Value : 495750.00 Gain/Loss : 495750.00 MTM : 495750.00

btw aaj ka futures out at major resistance..

Booked 1:5 r:R

95.80 KB 11:29:29

AS- Avadhut Sir

Snap Quote of -- 7MDD01

NFO	Normal	OPTS TK	BUY/SELL	CE	75.00	25Apr2024	Value:
5	45000	5.20	5.30	45000	5	Est Price : 0.00	44.80979 Cys
8	90000	5.15	5.35	37500	4	LTQty : 7500 @ 5.28	NA
5	45000	5.10	5.40	45000	4	LTPY : NA	Buy Carrying Cost : NA
6	60000	5.05	5.45	45000	5	ATP : 4.45	Open : 3.90 Sell Carrying Cost : NA
5	37500	5.00	5.50	127500	11	Volume : 5647500	High : 5.25 Open Interest : 6660000
						% Chg : 31.65	Low : 3.75 % Chg Open Intrest : -8.55
						UndrTP : 79.28	Close : 3.95 Tot Open Interest : 535957500
						Net Chg : 1.25	52 Week High : NA 52 Week Low : NA

OTV : 375000 B-ATP : 3.79 S-ATP : Value : -1421250.00 Gain/Loss : 0.00 MTM : 528750.00

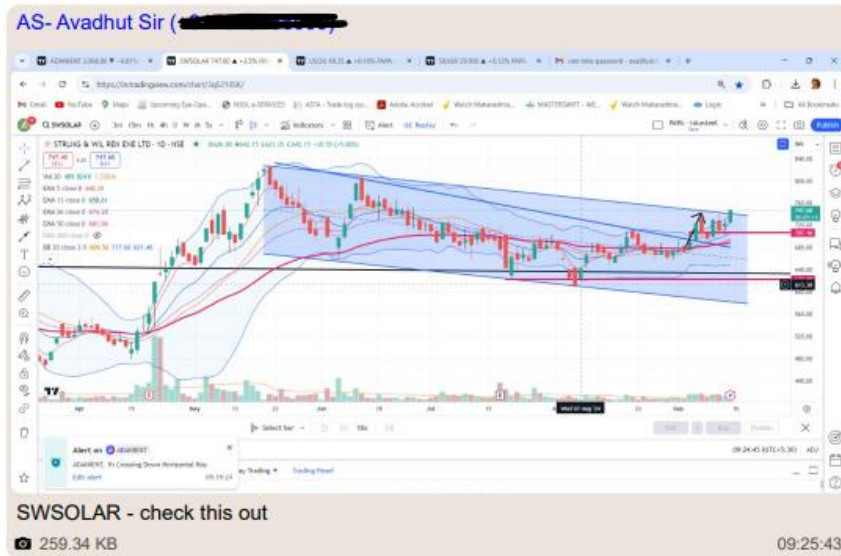
still holding 75 CE..

Futures profit reduces my BEP further.

91.73 KB 11:32:35



13/09/2024



Replying to AS- Avadhut Sir, 2024-09-13 09:25:43: « SWSOLAR - check this out »

Yes sir Uper Circuit

10:29:11

Wipro Weekly 3(3)

13:17:39

AS- Avadhut Sir ([REDACTED])

I have sold Silver 90000 CE near 3600
check it out.. why?

20:33:09

Replying to AS- Avadhut Sir, 2024-09-13 20:33:09: « I have sold Silver 90000 CE near 3600
check it out.. why? »

As per Ichimoku... Price is going for Wave 2... Also Price taking Resistance of
Angular Trendline... Also Price has made LH and LL in Weekly... Kind of



13/04/2023

AS- Avadhut Sir (+91 98900 98900)

41600 PE sell order through at 99.
there was sharp dip in BN .. may be few stop losses hit.
so now its a strangle. between 41800 and 41600
Total points around 184
BEP 41984 and 41416
Looks like a safe range.
now we can convert this into Condor
by buying 41900 CE and 41500 PE
the trade is free.

10:50:18

[REDACTED]

Replying to AS- Avadhut Sir, 2023-04-13 10:50:18: « 41600 PE sell order through at 99.
there was sharp dip in BN .. may be few stop losses hit... »

Great sir. 👍 timing the market.

10:51:16

AS- Avadhut Sir (+91 98900 98900)

total Dr 53
41900 CE 16 and 41500 PE 37
this trade is risk free with min profit of $84 - 53 = 31$ and max profit of 131

10:53:25

AS- Avadhut Sir (+91 98900 98900)

Replying to Sahil Setia M11, 2023-04-13 10:51:16: « Great sir. 👍 timing the market. »

will be covering this aspect during mentorship using certain PA concepts.

10:54:12

[REDACTED]

Replying to AS- Avadhut Sir, 2023-04-13 10:54:12: « will be covering this aspect during mentorship using certain PA concepts. »



10:54:55

[REDACTED]

Replying to AS- Avadhut Sir, 2023-04-13 10:54:12: « will be covering this aspect during mentorship using certain PA concepts. »

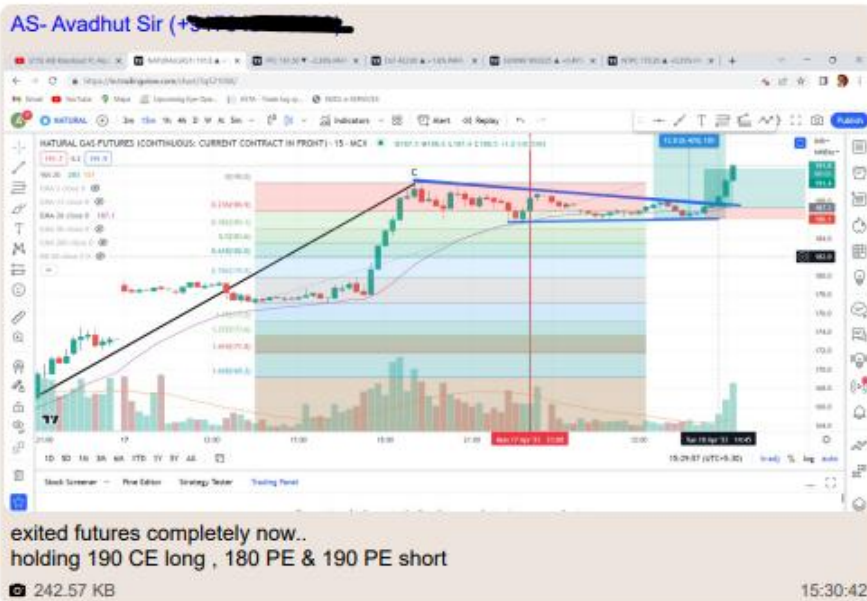
very much curious about this now 😊

10:55:20



WhatsApp - ASTA - MENTOR BATCH 11

18/04/2023



I am in trade Of Ng bought at 186.8 and still holding..

15:32:04



16/06/2022

AS- Avadhut Sir (██████████)

Had exited Reliance covered call right at open..
sold more calls of 2700 CE
covered 2600 PE short
bought Bajaj Fin puts
BHEL puts..
Adani .. calls short..
All in all.. a good day .. no long position yet

14:33:49

AS- Avadhut Sir (██████████)

Have booked profits in puts, futures and short calls and rolling down to lower puts.
I want to remain short

15:01:13

██████████ (██████████)

For 15500 PE today, if exited properly, the returns were greater than betting on a single number at the roulette table and winning.

And here I stagger exited at 32 after buying at 4, happy having made 5 times return 🤖.

Well, I am happy for the person who made tremendous profits from my lots



📎 106.40 KB

15:33:43

🗑 This message was deleted

15:38:37

██████████ (██████████)

DJI

📎 124.08 KB

22:20:24

Simit Desai M 10 (+919867566868)

@917██████████ sir, was curious about the milestone you mentioned in today's YouTube live. If it's ok to be shared on this platform. You did mention score of 129.
Regards

Analysis of the Figure:

422. On April 13, 2023, at 10:50:18, AS informed the mentorship group that the “41600 PE sell order” had gone through at 99. Referring to a sharp dip in Bank Nifty, he described the resulting position as a strangle between 41800 and 41600, specified the break-even points as 41984 and 41416, and stated that it looked like a safe range. He then stated: “now we can convert this into Condor by buying 41900 CE and 41500 PE”. This communication identifies an existing trade, evaluates its position following a market movement, and



specifies the option contracts to be purchased to modify it. The words “*now we can convert*” convey a proposed action in relation to the prevailing trading situation.

423. At 10:53:25, AS supplemented this proposal by specifying the prices of the additional option contracts as 16 for the 41900 CE and 37 for the 41500 PE, with a total debit of 53. He described the resulting trade as “risk free”, with a minimum profit of “ $84 - 53 = 31$ ” and a maximum profit of 131. These particulars provide the participants with the proposed transaction and AS’s assessment of its expected outcome. The description of the trade as “risk free” is his representation concerning that outcome. Read together, the two messages contain a specific trading proposal supported by calculations concerning its cost and anticipated profit.

424. The sequence is material. AS first communicated the current trade, proposed its modification through purchases of specified options, and explained the expected profit. He thereafter stated that the relevant concepts would be covered during mentorship. The proposed trade and its educational explanation were therefore linked within the same exchange. The reference to subsequent teaching does not exhaust the content of the preceding messages, which already supplied particulars capable of informing an immediate trading decision.

425. On April 18, 2023, AS shared charts concerning Natural Gas, including marked trend lines and price zones. At 15:30:42, he stated: “exited futures completely now.. holding 190 CE long , 180 PE & 190 PE short”. The chart and accompanying statement must be read together. The chart presents the technical assessment, while the text identifies the position exited and the specific option positions retained, including whether they were long or short. A participant subsequently stated that he had bought Natural Gas at 186.8 and was still holding it. That reply does not establish that the participant followed AS’s trade, but it shows that the exchange concerned current trading positions.

426. A similar combination of trade particulars and analytical reasoning appears in the messages dated April 2, 2024. At 11:29:29, AS shared a trading screen displaying IDFCFIRSTB and stated that he had exited the day’s futures position at “major resistance” and “Booked 1:5 r:R”. At 11:32:35, he shared another screen and stated: “*still holding 75*



CE.. Futures profit reduces my BEP further.” These messages explain both the exit from one position and the continued holding of another. The reference to major resistance supplies the technical reason for the exit, while the subsequent message explains how the realised futures profit affects the break-even position of the retained option. The communications thus convey AS’s management of an identifiable, current trading position.

427. On September 13, 2024, at 09:25:43, AS shared an annotated chart of SWSOLAR with the statement “*SWSOLAR - check this out*”. The chart contains a descending channel, horizontal price levels and an upward arrow marking a price movement. The accompanying words draw the participants’ attention to the particular stock and the price configuration analysed in the chart. The communication therefore contains more than the name of a stock: it conveys a stock-specific technical assessment through the visual markings. The participant’s subsequent response, “*Yes sir Upper Circuit*”, places the exchange in the context of the stock’s current market movement, although that response is the participant’s statement and cannot be attributed to AS.

428. On the same date, at 20:33:09, AS stated: “*I have sold Silver 90000 CE near 3600 check it out.. why?*” This message identifies the instrument, option type, strike, transaction and approximate price, and invites examination of the reason for that trade. A participant responded by referring to Ichimoku, Wave 2, resistance from an angular trend line, and lower highs and lower lows on the weekly chart. The technical explanation in that reply belongs to the participant. Nevertheless, the exchange shows that the educational enquiry was organised around a specific trade disclosed by AS, with its material transaction particulars already made available to the group.

429. The messages dated June 16, 2022, further illustrate the disclosure of executed trades and continuing positions. At 14:33:49, AS referred to exiting a Reliance covered call, selling further calls of 2700 CE, covering a 2600 PE short position, buying Bajaj Finance puts, holding BHEL puts and shorting Adani calls. At 15:01:13, he stated that he had booked profits in puts, futures and short calls, was rolling down to lower puts, and wanted to “remain short”. The latter statement communicates his continuing directional stance, while the preceding particulars identify the transactions through which that stance was



being implemented. Although disclosure of one's own trade does not, by itself, establish a recommendation to others, these messages are relevant to understanding the nature of the trading information supplied within the mentorship groups.

430. **Conclusion** Taken together, the examples show different forms of communication. I find that the communications on the Mentorship program group comprises peer to peer discussion as well as communications of Noticee No. 2/ AS wherein a direct proposal to purchase specified options to modify a current trade; technical analysis of identified stocks and contracts; and contemporaneous disclosures of entries, exits, retained positions and proposed adjustments. The educational elements must be recognised, but they coexist with transaction particulars and, in the Bank Nifty example, an actionable trading proposal supported by an assessment of its expected outcome. I therefore note that certain communications by AS are in the nature of providing trading recommendations and specific market analysis, including option strikes, break-even levels, expected profit calculations and directional views. AS also shares trades executed by him, positions presently held and adjustments proposed to those positions. These features support the conclusion that the communications include simultaneous trading guidance delivered through the mentorship exchanges.

Whether ASTA's services were wholly educational

431. The Noticees submit that their sole business activity was structured financial-market education and training, with participants paying fees for access to a proprietary curriculum, courses and learning-support systems. The question is whether the educational features relied upon establish that the entire arrangement supplied to participants was educational. This requires examining the curriculum, teaching methods, assessment and continuing interactions, and considering them alongside the services actually rendered. For this purpose, I have examined the submissions, course material, recordings, screenshots of participant-monitor interactions and other evidence on record.

Curriculum and progression



432. ASTA offered graded courses extending from basic market orientation to advanced analysis and mentorship. The three-hour “Eye Opener” introduced market awareness. SMM, Secrets of Market Millionaires covered technical methods, money and mind management, including Dow Theory, candlesticks, chart patterns, support and resistance, moving averages, oscillators, MACD, RSI, Fibonacci retracements and volume analysis.
433. PAPA, Pay Attention to Price Action covered candlestick formations, genuine and false breakouts, Bollinger Bands, ADX, accumulation/distribution and reversal formations, focusing on momentum and swing trading. FOME, Futures and Options Made Easy addressed derivatives, options-data analysis, strategies, risk management and open interest. GUE, Get the Ultimate Edge covered market psychology, Elliott Wave principles, market maturity and high-probability set-ups.
434. GEO, Get Edge over Others combined these modules over four months with monitor support. One-year mentorship and the GEO Plus, Gurukul Aarambh, GEO Panoramic and Gurukul Samanvay programmes extended learning through practical application, technical study, psychology, risk management and review of trading processes.
435. According to the Noticees, completion of GEO and clearance of the ASTA Entrance Exam (‘AEE’) were prerequisites for entry into the ASTA Satsang community and eligibility for Aarambh, GEO Plus and Mentorship. Participants had two attempts and, if unsuccessful, waited two months for the next examination.

Facilities, instruction and assessment

436. The Gurukul facility at Karjat, Maharashtra, accommodated approximately 300 participants, with seminar halls, residential accommodation and administrative facilities. MyASTA and the Gurukul Learning System (‘GLS’) provided study material, downloadable PDFs, recordings and progress tracking. Concept, main and revision sessions were supplemented by quizzes, homework, daily questions, poll quizzes and monitor evaluation and feedback.



437. The demonstrations show that participants were expected to apply concepts, complete exercises and demonstrate progress. The recordings produced before me corroborate the conduct of instruction, practice and corrective feedback.
438. The stated teaching method combined concepts, illustrations, questions and behavioural routines. Participants were encouraged to interpret charts, understand risk and develop their own trading processes. Mentorship included personal guidance, mindset coaching, group meetings, back-testing, monitoring and review of trade logs, SWOT assessments and trading plans. Its stated purpose was to address analytical and execution deficiencies and develop independent decision-making.
439. ASTA Satsang Centres ('ASCs') supported accountability, peer interaction and shared learning. Aikyam was described as a no-cost accountability and progress-tracking initiative; Sanskaar routines included preparation, physical fitness, journaling, buddy systems and self-review. The programmes emphasised money management, emotional regulation and discipline, while introductory sessions cautioned that consistent success required sustained learning and observation.

WhatsApp groups and continuing interaction

440. The Noticees describe the WhatsApp groups as continuing learning and mentorship channels for participants who had completed foundational courses. Except for the VOW Group, the material establishes their structural connection with ASTA's courses and mentorship. Access followed prior learning and, for advanced programmes, the prescribed progression process.
441. The groups operated alongside coursework, quizzes, back-testing, feedback and progress tracking. Participants posted their analytical work for discussion and correction, connecting classroom instruction with continuing application and review.



Finding on the educational setting

442. The curriculum, sustained instruction, examinations, exercises, assessment and continuing support establish an organised process through which participants acquired and applied knowledge. I therefore find that ASTA maintained an educational setting, extending through its courses, mentorship and the connected WhatsApp interactions described above.
443. I note this finding relates to the setting in which the services were supplied. It does not establish the Noticees' further proposition that the entirety of those services was educational. The preceding findings establish that the impugned communications constituted investment advice or research analysis. Those services were rendered within the same courses and continuing interactions. Participants could consequently receive instruction as learners while also receiving securities-specific advice or research capable of informing their investment decisions.
444. The Noticees rely on participants' petitions and affidavits stating that they joined for skill enhancement and received genuine education. They contend that this evidence refutes the allegations of unregistered advisory or research activity. I accept these statements as evidence of educational features in the programmes. However, participants' purpose, perception or satisfaction cannot determine the legal character of the communications they received.
445. The communications examined above identified specific securities and conveyed future market views, target prices or stop-loss levels. Their advisory or research character has been established from their content and context under the IA/RA Regulations. The affidavits therefore support the existence of an educational setting but do not negate the specific violations established within it.
446. Restricted membership, an objective of independent decision-making, conditional phrasing and the proportion of time devoted to historical instruction do not alter the



character of the regulated services already established. I therefore do not accept that the arrangement was exclusively educational.

OVERALL CONCLUSION

447. I note from the preceding examination that the impugned communications identified specific securities, applied analytical methods and conveyed expectations regarding future performance, recommendations, target prices or stop-loss levels, as applicable. Their content provided guidance concerning dealing in securities, as contemplated under Regulation 2(1)(l) of the IA Regulations, or supplied analysis, recommendations or opinions providing a basis for investment decisions under Regulation 2(1)(w) of the RA Regulations.
448. The illustrative communications were not confined to general market trends, broad-based indices or economic, political or market commentary excluded under Regulation 2(1)(w)(i), (ii) and (iii) of the RA Regulations. Where broader market conditions were referred to, they supported the view concerning the identified security. Similarly, the technical analysis was directed towards evaluating specific securities and their prospective movement, rather than being confined to demand and supply in a sector or index under Regulation 2(1)(w)(viii). The use of technical analysis does not bring a securities-specific recommendation within that exclusion.
449. Nor were the charts and data merely statistical summaries excluded under Regulation 2(1)(w)(vii). They were interpreted to support the views and recommendations discussed above. The communications therefore performed an analytical and investment-related function beyond presenting information or explaining a concept. Their electronic presentation falls within Regulation 2(1)(w), which does not require a document formally titled “research report”.
450. Further, the expectations conveyed regarding the future performance of identified securities are relevant to Regulation 2(1)(o) of the RA Regulations, which defines “price target” by reference to such expectations. The absence of a numerical target does not, by



itself, exclude the communication from that provision. The buy/sell/hold recommendations, price targets and research analysis identified in the preceding discussion are also activities contemplated by Regulation 2(1)(u) as applicable before its amendment on December 16, 2024.

451. In respect of the communications examined as investment advice, the access arrangements discussed above establish delivery through course sessions and restricted participant interactions, rather than dissemination through media widely available to the public. The first proviso to Regulation 2(1)(l) of the IA Regulations therefore does not apply to those communications. Their delivery through an electronic platform does not establish public availability.

452. Accordingly, applying the provisions in force on their respective dates, I find that the impugned communications constituted investment advice or research analysis/recommendations, as identified in the preceding individual examinations, and did not fall within the exclusions discussed above. For communications on or after December 16, 2024, the functions expressly recognised as “research services” under Regulation 2(1)(wa) of the RA Regulations are additionally relevant. Trading calls excluded from investment advice by the second proviso to Regulation 2(1)(l) from that date remain within the RA framework; that exclusion cannot be applied retrospectively to earlier conduct.

453. Admittedly, in the present case, none of the Noticees are registered with SEBI in the capacity of Investment Advisor or Research Analyst or in the capacity of any other intermediaries. Hence, I find that the activities carried out by ASTA, without holding the certificate of registration as an investment advisor or research analyst are in violation of Section 12(1) of the SEBI Act read with Regulation 3(1) of the IA and RA Regulations.

C2.c. Consideration w.r.t. testimonials of course participants including their trading accounts

C2.c. i. Allegation:

454. The allegation is ASTAPL and AS disseminated false and misleading information through social media in a reckless or careless manner to influence the decision of investors



dealing in securities. It is also alleged that ASTAPL/AS falsely advertised that participants were able to generate supernormal profits as the participants had actually suffered net losses and such testimonial videos have been recklessly circulated on social media with the objective of inducing unsuspecting and gullible investors to enrol for ASTAPL/AS's programs/advisory/analyst services, despite SEBI warning ASTAPL/AS to refrain from such practices.

455. Further, by projecting unrealistically high returns in such videos to gullible investors, with the intent of fraudulently inducing them to enrol in their programs, the Noticees have enhanced their income. ASTAPL/AS were observed to be mis-selling investment advisory/research analyst services to unsuspecting clients by portraying false returns, concealing the fact that it did not have the required registration from SEBI, and failing to take reasonable care to ensure the suitability of the securities or services to the buyers.

C2.c. ii. Contention:

456. The essence of the contention of the Noticees is that the participants in the testimonial videos have indeed made profits during the period stated in the video. It is also highlighted that the videos, particularly, that of Ms. Laxmi Srinivasan and Ms. Smriti Apte, have also mentioned about the losses incurred during the journey and not only profits. The Noticees have also highlighted mistakes in the computation methodology.

C2.c. iii. Consideration:

457. I now proceed to examine the allegation on the basis of material available on record. To adjudicate the said allegation, the test is whether the testimonial videos showed only selective profitable trades of the course participants and rests on the principles of material omission and truthfulness in such videos.

458. Allegation and its evidentiary basis: The allegation concerns ASTAPL/AS's representation that Ms. Lakshmi Sreenivasan earned ₹1 crore through Bank Nifty options during December 2020 to March 2023. The Interim Order relied upon exchange-derived details recording a profit of ₹4.17 lakh for the corresponding period. The alleged



misrepresentation concerns the difference between the advertised profit and the computed trading result.

459. Contentions and their evidentiary basis: The Noticees have submitted her affidavit stating that she attended GEO batch 3G03 from November 7, 2020 to January 10, 2021, and traded independently through accounts numbered “****6706” and “**4719”. The affidavit does not state the amount of profit. Screenshots of trading accounts have been enclosed in support.
460. The transcript describes predominantly Bank Nifty options trading, strategies employed, the absence of tips from ASTA, losses of approximately ₹30 lakh and a ₹10 lakh loss on one trade. It also refers to trading through three accounts with capital supplied by her husband.
461. The Noticees challenge the exclusion of contracts having only buy or only sell transactions during the examination period. They identify sales of 41,500 PE options that expired worthless, resulting in retention of the premium, but were omitted from the computation.
462. Findings based on the evidence: The proper test is whether the quantified profit representation corresponds with the complete net Bank Nifty trading result for the relevant period. Disclosure of losses provides context but does not determine that result. Selecting profitable transactions may affect the accuracy of a representation; the presence of loss disclosures does not, by itself, establish its truthfulness.
463. An option sold and held until it expires out of the money requires no purchase transaction to close the position. Expiry extinguishes the obligation, leaving the premium received as gross realised profit. The net contribution is determined after applicable costs. A computation requiring both a sale and a purchase therefore excludes completed profitable positions merely because they closed through expiry.



464. In the identified 41,500 PE transactions, the exclusion leaves the retained premiums outside the aggregate result. The computation consequently assigns those positions no contribution, although they generated income. With the other entries unchanged, the corrected figure would be ₹4.17 lakh plus the omitted net expiry profits. This demonstrates why the reported amount cannot be accepted as the complete trading result on the methodology described.
465. The financial effect must nevertheless be quantified. The stated difference from the advertised amount is ₹ 95.83 lakh; the existence of an omission does not establish that it accounts for this difference. Reconciliation must cover the relevant Bank Nifty positions across the accounts concerned, including expiry gains and losses, settlement obligations and expenses. Capital contributions must be excluded from trading income.
466. I accordingly accept the objection to excluding expiry-settled positions for want of an opposite-side trade. This finding concerns the completeness of the computation. A final finding on the alleged overstatement must rest upon the reconciled net result; neither the ₹1 crore representation nor dismissal of the allegation follows merely from the identified defect. I find that in the specific case of Ms. Lakshmi Sreenivasan, the allegation of misrepresentation by ASTAPL/AS through the testimonial video does not stand established.
467. Allegation: I now examine the allegation concerning the advertisement published by ASTAPL/AS showcasing that Ms. Pavithra Nayaka achieved “2X capital growth in 6 months” during September 2024 to March 2025. The Interim Order relied upon the profit-and-loss details received from the stock exchanges and recorded that she had incurred an aggregate loss of ₹3,05,704.40 during the corresponding period. The allegation of false portrayal of her performance thus rested upon the contradiction between the advertised capital growth and the computed aggregate loss.
468. Contention and its basis: The Noticees have submitted a notarised affidavit of Ms. Pavithra A., together with screenshots of her profit-and-loss accounts. In the affidavit, she states that she attended GEO batch 3G20 from January 29, 2024 to June 3, 2024, and



subsequently traded independently during September 2024 to March 2025 through accounts numbered “*****9360” and “**8633”, without receiving paid tips or advice concerning her portfolio. The screenshots have been relied upon to show trading profits.

469. The Noticees have disputed the computation relating to the NMDC futures contract bearing identifier "NMDCFUTSTKFF045687". They submit that the computation combined transactions before and after the corporate action without incorporating the corresponding adjustments to prices and quantities. Their explanation refers to the adjustment of the carried quantity from 4,500 to 13,500 and the corresponding adjustment of the price base.
470. Discussion and findings: I note that NSE prescribed an adjustment factor of three for the NMDC bonus issue in the ratio of 3:1, effective December 27, 2024. NSE Clearing prescribed corresponding adjustments to eligible outstanding futures positions, settlement prices and carry-forward values. The resulting changes in prices and quantities were therefore required to be accounted for when computing the trading result.
471. The revised computation establishes that the net loss on the aforesaid NMDC contract was ₹65,000, whereas approximately ₹10 lakh had been taken as the loss on that contract in the earlier computation. The loss was consequently overstated by approximately ₹9.35 lakh.
472. The significance of this discrepancy must be examined against the aggregate loss of ₹3,05,704.40 relied upon in the Interim Order. On substituting the corrected contract loss, while retaining the other entries in that computation, the aggregate result changes to a profit of approximately ₹6.29 lakh. The discrepancy therefore changes the aggregate result from a loss to a profit.
473. The factual premise underlying the allegation was that Ms. Pavithra had incurred an aggregate loss despite being portrayed as having achieved capital growth. Once the



incorrect NMDC loss is replaced by the corrected figure, that premise does not survive the computation.

474. At the same time, an aggregate profit does not, by itself, establish that the relevant capital doubled. Such a finding would require examination of the opening capital, closing capital and intervening deposits, withdrawals and transfers. However, the absence of an affirmative finding that capital doubled cannot be treated as proof that the advertisement was false. The falsity alleged must be supported by evidence. The Noticees' explanation is accordingly accepted to the extent that the verified correction displaces the aggregate-net-loss premise though it is not independently establishing the advertised capital multiple.

475. In view of the above, I find that the allegation that the Pavithra testimonial falsely portrayed capital growth on the basis that she had actually incurred an aggregate net loss is not established. Accordingly, I do not rely upon this testimonial as evidence of false performance on that ground.

476. Allegation -Ms. Smruti Apte: The allegation is that the testimonial published by ASTAPL/AS representing that Ms. Smruti Apte, an ex-banker, was consistently earning more than her salary through trading after attending the GEO programme. The Interim Order identifies the relevant period as March 2021 to October 2021. However, the profit-and-loss details received from the stock exchanges recorded an aggregate trading loss of ₹1,38,244.37 during the corresponding period. The allegation is based upon this contradiction between the advertised performance and the trading results.

477. Contentions: The Noticees contend that the video must be considered as a whole. They rely upon the discussion of her learning journey, losses, difficulties, subsequent profits and advice on further skill development. The transcript describes her progression from SMM to PAPA, a loss on one scrip and observation of Bank Nifty without executing trades for approximately 16 weeks. According to the Noticees, SEBI selectively considered the earnings statement without examining this context. They have not identified any specific error in the financial computation.



478. Finding: I construe the representation of consistently earning more than salary as a claim that net trading earnings exceeded her former monthly salary in every month of the relevant period. If that representation were correct, the aggregate result would necessarily have been positive. The recorded aggregate loss establishes that at least one month was loss-making. Such a month is incompatible with the claimed monthly consistency.
479. I accept that the conversation disclosed losses and described a broader learning journey. However, losses on individual trades can occur within a profitable month. Their disclosure does not answer the contradiction established by the aggregate result. Similarly, subsequent profits do not establish earnings above salary in every preceding month. The course progression and period of observation provide developmental context but do not substantiate the represented financial performance.
480. My conclusion rests upon the comparison between the published representation and the corresponding financial result, rather than the absence of a denial or computational challenge. I therefore find the allegation of false portrayal of monthly trading performance established on a preponderance of probabilities. The discussion of losses within the conversation does not provide a basis for giving benefit of doubt in respect of this representation.
481. Allegation - Mr. Rehan Shaikh: I now examine the allegation concerning the testimonial of Mr. Rehan Shaikh, published by ASTAPL/AS on July 9, 2025, representing that he purchased a bike from trading profits of ₹2.5 lakh. The Interim Order identifies the relevant trading period as August 2023 to May 2024. However, the profit-and-loss details received from the stock exchanges recorded an aggregate net loss of ₹13,256.85 during that period. The allegation is based upon this comparison between the advertised financial achievement and the trading result.
482. Contention: The Noticees rely upon Mr. Shaikh's non-notarised affidavit dated January 12, 2026. He states that he voluntarily attended GEO during May–July 2019 without any external promise or pressure, describes ASTA as an education provider and denies



receiving trading tips, recommendations or calls. The Noticees contend that this account contradicts the premise that advisory services were provided to him.

483. They have also produced his consent to sharing his experience through an email dated February 2, 2025, and a signed consent form dated September 2, 2025. The affidavit contains no statement concerning profits, and no specific computational error has been identified in the supplied contentions.

484. Findings: The affidavit addresses enrolment and the nature of the services received. Even if those statements are accepted, they do not verify the advertised financial achievement. Similarly, consent to sharing an experience establishes permission to use the testimonial, it does not establish the accuracy of its financial content. The Noticees' contention therefore does not answer the profit representation.

485. Nevertheless, the financial comparison must be assessed against the precise claim. An aggregate net loss contradicts a representation that ₹2.5 lakh was the overall net profit for the corresponding period. It does not, by itself, establish that realised trading profits were unavailable when the bike was purchased. A period may contain profitable transactions and withdrawals followed by losses that leave the aggregate result negative.

486. The source-of-payment allegation therefore requires examination of the purchase timing, the profits relied upon and their connection with the payment. Those matters are not demonstrated by the aggregate figure alone. A finding concerning an incorrect overall-profit representation must also identify that as the performance conveyed by the publication.

487. I accordingly find that the affidavit does not rebut the financial allegation. However, its failure to do so cannot supply the missing evidence concerning the bike's funding. On the material on record, I cannot hold the allegation of a false source of purchase money established solely from the aggregate net loss and the absence of a financial denial. However, I hold that there is misrepresentation in respect of the Net profit.



488. Allegations - Mr. Akash Warpe: I now examine the testimonial of Mr. Akash Warpe published by ASTAPL/AS on February 27, 2025. It represented earnings of ₹4–5 lakh per month, capital growth from ₹1.8 lakh to ₹45 lakh and trading profit of ₹43.2 lakh during May 2023 to September 2024. The publication also carried the assurance “Validated by verified P&L”. However, the exchange-derived profit-and-loss details recorded a loss of ₹5,58,444.43 during the corresponding period. On this basis there is an allegation of misrepresentation.
489. Contentions: The Noticees rely upon consent provided through an email dated August 10, 2024, and a signed form dated July 24, 2025. The email referred to an attached P&L statement, but that attachment has not been furnished in these proceedings. They contend that the statement cannot be produced because the underlying account belongs to a third party.
490. The supplied transcript refers to Mr. Warpe starting to earn ₹4–5 lakh and growing capital from ₹1.8 lakh to ₹8 lakh after studying the concepts taught. The email also describes a practice of trading equity options and avoiding index instruments. No specific computational error has been identified in the contentions.
491. Findings: The consent documents establish permission to share his experience. They do not establish the financial achievement attributed to him. The statement in the transcript likewise records his account of earnings; it does not independently verify the advertised figures. The reference to the lower capital figure may concern a stage in his progression, but the supplied excerpt does not substantiate the larger figure published.
492. The financial achievement was advertised as Mr. Warpe’s. It is relevant to note here submission that third party accounts usage. However, third-party ownership has not been supported by a financial statement demonstrating that the claimed performance arose from that account. It therefore does not establish that SEBI’s comparison is inapplicable. Nor does ownership alone explain the non-production of the P&L attachment referred to in an email already shared with ASTA. The material produced does not substantiate the express assurance of financial verification.



493. The available trading records include index activity. That fact however relates to the statement about his trading practice, it does not independently determine the profit earned. I therefore proceed to consider the financial representation on the corresponding profit-and-loss evidence.

494. That evidence supplies an affirmative contradiction of the representation of ₹43.2 lakh as trading profit for the stated period. The Noticees' material does not displace it. An aggregate profit for the corresponding period cannot be reconciled with the recorded net loss. I therefore find the allegation of false portrayal of aggregate trading profit established on a preponderance of probabilities. I render this finding on the basis of financial comparison, rather than the absence of supporting documents alone.

C2.c. iv. Conclusion:

495. In view of the above factual findings, it needs to be determined whether Regulation 4(2)(k), 4 (2) (o) and Regulation 4(2)(s) of the FUTP Regulations are violated as alleged.

496. I note ASTAPL/AS presented these false and misleading figures as actual achievements attributable to their programmes. Akash's publication additionally carried the assurance "Validated by verified P&L". The established reckless publication thus presented false performance as a reliable financial achievement. By associating those achievements with their course which involved the investment advisory and research analyst service, the publications were likely to influence investors' decisions concerning securities. The dissemination, misrepresentation, recklessness and investor-influence requirements are accordingly satisfied on the provision recorded above. In view of this, I find that ASTAPL/AS violated Regulation 4(2)(k) of PFUTP Regulations.

497. I further find that the false performance claims promoted enrolment by representing that participants could achieve trading profits through its programmes. Publication of those claims, read with the established enrolment of participants, demonstrates inducement. Its fraudulent character follows from the established financial misrepresentations used to obtain that enrolment.



498. ASTAPL/AS provided investment advisory service and research analyst services for consideration. By presenting the false trading achievements as outcomes of their programmes, they promoted their paid services as a means of earning similar profits. Attracting additional paying participants would therefore increase their fee income. I infer the income objective from the use of these promotional claims to expand paid enrolment, read with the established enrolment of participants. Accordingly, the objective of enhancing their income stands established. Therefore, I further find that there is a violation of Regulation 4(2)(o) of PFUTP Regulations.

Mis-Selling:

499. *This leads to the next question as to whether there is mis-selling of investment advisory/research analyst services by portraying false returns, concealing their unregistered status and providing investment advice without assessing suitability, in violation of Regulation 4(2)(s) of the PFUTP Regulations.*

500. Regulation 4(2)(s) prohibits mis-selling of securities or services relating to the securities market. The Explanation includes knowingly making false or misleading statements, knowingly concealing or omitting material facts, and failing to take reasonable care to ensure suitability of the securities or service to the buyer. These constitute grounds for establishing mis-selling.

501. As demonstrated in the earlier discussions, ASTAPL/AS provided investment advice and stock-specific recommendations through their sessions and WhatsApp groups. These communications identified securities and indicated trading decisions, expected price movements, entry or exit levels and stop-loss levels. Since these services formed part of programmes offered for consideration, they constituted the sale of services relating to the securities market. Describing the programmes as education or the consideration as course fees does not alter the character of the services actually supplied.

502. The earlier findings also establish that misleading representations of participants' returns were used to promote these programmes. Such representations conveyed that purchasing the services could enable prospective participants to achieve similar financial



results. Therefore, the Noticees induced prospective participants to enrol through the misleading portrayal of returns.

503. Further, ASTAPL/AS provided investment advice through the sessions and WhatsApp groups without examining whether the advice was suitable for the recipients. Suitability requires consideration of the client's financial circumstances, investment objectives, risk tolerance, experience and capacity to absorb losses. Without considering these matters, the Noticees had no reasonable basis to determine whether the recommended investments or trading strategies were appropriate for the participants receiving the advice. By supplying investment advice as part of paid programmes without undertaking that assessment, ASTAPL/AS failed to take reasonable care to ensure suitability. This independently establishes mis-selling under clause (iv) of the Explanation to Regulation 4(2)(s) of PFUTP Regulations.

504. I also note the earlier finding that the regulated services were presented as education while the absence of the required registration was concealed. ASTAPL/AS knew their own registration status and the contents of the recommendations they supplied. Their regulatory status was material to a prospective participant's decision to purchase those services. Its knowing concealment deprived purchasers of information necessary to make an informed choice and attracts clause (ii) of the Explanation.

505. Accordingly, the services were sold through misleading promotional representations, with knowing concealment of material facts, and delivered without reasonable care to assess suitability. The knowing concealment and the failure to assess suitability independently and inducement of members of the public to enrol as 'students'. I therefore find there is a violation of Regulation 4(2)(s) of the PFUTP Regulations.

506. I note that the fact of reliance on the recommendations and research analysis given by Noticee No. 1 to 2 is not relevant from the perspective of determination of the impugned communications. However, I note in this case there is material on record to indicate the participants have also traded. Similarly, I also note that the Interim Order records AS has made net loss. The same was disputed by the Noticees. Since there is no specific allegation relating to this, the same is not dealt.



Why Noticee Business Model plays mischief to the regulatory objectives:

507. Registration is intended to subject persons performing regulated activities to eligibility requirements and supervision. If adding lessons, illustrations or mentorship could exempt the underlying advice or research, any provider could reproduce that arrangement. The registration requirement would then depend on the provider's chosen business description rather than the activity actually undertaken.
508. A recommendation can influence an investment decision even when delivered during teaching. Calling its recipient, a student does not reduce the risk of acting upon it. Where applicable, the IA framework requires fiduciary conduct, risk profiling and suitability; the RA framework requires diligence, reliable research and disclosures. Treating the entire service as education would leave the same financial exposure without these protections.
509. Participants may place greater confidence in recommendations because they come from the person teaching and validating their understanding. Meanwhile, demonstrating successful trades or promoting further courses may create incentives to reinforce confidence in a method. This makes the regulatory requirements concerning independence, conflicts of interest and an arm's-length relationship with other activities particularly relevant. Trust in a mentor cannot substitute for those controls.

Findings on violations- ASTAPL and AS

510. I note that AS and GS have been directors of ASTAPL since its incorporation on January 13, 2020. AS was also the proprietor of the concern through which the activities were carried out before ASTAPL's incorporation. Neither ASTAPL nor AS or GS held registration with SEBI under the IA Regulations or the RA Regulations.
511. As demonstrated in the earlier discussions, ASTAPL provided investment advisory and research analyst services through AS, including stock-specific recommendations communicated during sessions and through WhatsApp groups. These activities attracted the registration requirements under section 12(1) of the SEBI Act, 1992, read with regulation 3(1) of the IA Regulations and regulation 3(1) of the RA Regulations,



respectively. ASTAPL carried out these activities without obtaining the requisite registration and therefore contravened these provisions.

512. I hold AS responsible for ASTAPL's aforesaid contraventions under section 27(1) of the SEBI Act. AS played the principal role in devising and implementing the arrangement through which the services were provided. He personally conducted the sessions and communicated recommendations to participants. His role establishes that he was in charge of, and responsible to, ASTAPL for the conduct of the business involving these activities. His personal involvement also establishes his knowledge of their conduct. Accordingly, the company's failure to obtain the required registration is attributable to AS under section 27(1) of the SEBI Act. For the activities carried out through the proprietorship concern before incorporation, AS is directly responsible in his capacity as proprietor.

513. AS's liability for the fraudulent scheme follows directly from his own acts. As established in the earlier discussions, AS played a principal role in the scheme through which participants were induced to purchase the programmes and trade in specific securities. The services were promoted through misleading representations of returns, their unregistered character was concealed, and investment advice was provided without assessing suitability. AS personally participated in devising and carrying out this scheme. The resulting violations of the SEBI Act and the PFUTP Regulations are therefore attributable to him directly, without recourse to Section 27 of the SEBI Act. ASTAPL is likewise responsible, as the conduct formed part of the programmes offered and services supplied through the company.

514. Accordingly, I find that ASTAPL and AS have violated, and are liable for contravention of, the following provisions:

- i. Section 12(1) of the SEBI Act, read with regulation 3(1) of the IA Regulations;
- ii. Section 12(1) of the SEBI Act, read with regulation 3(1) of the RA Regulations; and
- iii. Sections 12A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c) and (d), 4(1), and 4(2)(k), (o) and (s) of the PFUTP Regulations.

515. AS's liability for ASTAPL's contraventions specified in items (i) and (ii) arises under section 27(1) of the SEBI Act. His liability for the violations specified in item (iii) arises directly from his own participation in the fraudulent conduct.



Findings on violations -GS

516. I note that the Interim Order recorded that the funds were collected in the accounts of ASTAPL and AS. GS was not found to have provided investment advisory or research analyst services to participants. Interim Order further records that it was principally AS who devised and implemented the scheme through which participants were induced to trade in specific securities. The said findings are established in this Order. ASTAPL's liability arises from the activities carried out through AS, while AS is directly liable for his own conduct. GS's responsibility requires separate examination under section 27 of the SEBI Act.
517. I note GS was involved in the company's day-to-day affairs even though GS have not provided investment advisory or research analyst services to participants and not devised and implemented the scheme through which participants were induced to trade in specific securities.
518. Therefore, the liability of GS is based on the invocation of the section 27(1) of the SEBI Act. Accordingly, I hold GS liable for ASTAPL's following contraventions during her directorship, read with section 27(1) of the SEBI Act, 1992:
- i. Section 12(1) of the SEBI Act, read with regulation 3(1) of the IA Regulations;
 - ii. Section 12(1) of the SEBI Act, read with regulation 3(1) of the RA Regulations; and
 - iii. Sections 12A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c) and (d), 4(1), and 4(2)(k), (o) and (s) of the PFUTP Regulations.

Liability for disgorgement

519. I find that access to securities-specific advice and research analysis was the principal commercial attraction of the examined programmes. The representations concerning trading returns encouraged participants to enrol, while the continuing guidance on securities and trading decisions drew them to the sessions and WhatsApp interactions. The instructional arrangements supported this purpose by enabling participants to understand and apply the advice and analysis being supplied.
520. The curriculum, course progression, exercises, monitor feedback and continuing mentorship connected the teaching of analytical methods with their application.



Participants were introduced to concepts and thereafter guided through charts, market developments and securities-specific views. The impugned recommendations were delivered within this continuing process. Thus, the educational features helped participants understand and act upon the guidance that constituted the principal benefit offered through the programmes.

521. This connection is particularly evident in communications already found to constitute research analysis. The charts, indicators, data and explanations supplied the reasoning supporting a view concerning an identified security. Explaining that reasoning could teach a method while also providing a basis for an investment decision. The explanatory portion therefore formed part of the regulated analysis itself. Its character does not depend on whether the communication ended with an express instruction to buy or sell.
522. It would consequently be artificial to classify the explanation as education and only the eventual recommendation as the regulated service. The recommendation derived its meaning and persuasive force from the preceding analysis. Participants paid to receive this guidance as a whole. The finding of inseparability rests on the purpose, content and manner of delivery of the service.
523. The consideration must be assessed on that basis. Describing the payment as a course fee does not make the advisory or research services gratuitous. Expenditure on classrooms, learning systems and monitors identifies facilities used to deliver the service; it does not establish a separately supplied educational component. Nor can the fee be apportioned merely by comparing the duration of theoretical instruction with the time occupied by recommendations. Such an approach would disregard that the instruction and explanation supported the very analysis and guidance for which participants enrolled and continued attending. I therefore treat the entire fees attributable to the courses covered by these findings as consideration received for the unregistered activities and, accordingly, as unlawful gains liable to disgorgement. The presence of educational content does not displace this finding.

ASTAPL and AS

524. As regards ASTAPL and AS, the funds were collected in their accounts. AS devised and implemented the arrangement and personally supplied the impugned advice and research communications. His role in the fraudulent conduct was direct, in addition to the



statutory responsibility under Section 27 of the SEBI Act discussed earlier. The receipts arose from the same business arrangement through which ASTAPL and AS supplied the services and generated the gains. Their roles in that arrangement were inseparable. I therefore hold ASTAPL and AS jointly and severally liable to disgorge the unlawful gains attributable to the company's impugned activities.

525. GS stands on a different factual basis. The Explanation to section 11B requires examination of the wrongful gains made or losses averted through the contravening activities. The finding against GS is based on Section 27(1). She was not found to have supplied the advisory or research services or devised the arrangement through which the fees were generated. The material relied upon does not establish wrongful gains or losses averted attributable to her, or participation in a common fraudulent arrangement that would justify making her answerable for the entire receipts.

526. It would be different scenario, where disgorgement may extend to a person whose acts or omissions establish participation in a common fraudulent scheme, even where the gains are received in another person's account. Joint and several liabilities would require establishing that participation/omission. That factual basis has not been established against GS. Accordingly, her liability to be proceeded and punished for the contraventions of the Noticee 1 under section 27(1) does not, on the present findings, in the facts and circumstances of the case, extend to disgorgement of the amounts directed against ASTAPL and AS.

527. ASTAPL/AS had collected ₹ 6,01,37,96,917/- from the course participants since inception; however, direct evidence is available in respect of the following courses and amount attributable to the relevant courses, forming the basis of disgorgement against ASTAPL and AS is ₹ 546.17 Cr.

Table 2 Fees attributable to relevant programmes

Course Name	2020	2021	2022	2023	2024	2025	Total (in ₹ crore)
GEO	37.50	61.71	79.15	105.06	100.17	39.90	423.49
Mentorship	-	-	16.32	8.75	7.25	6.77	39.08
GEO Plus	2.13	7.27	8.19	7.50	11.56	-	36.65



Aarambh	-	-	1.67	6.30	7.64	5.79	21.40
Eye opener	1.51	0.06	3.44	5.60	5.17	0.88	16.67
GEO Panaromic	0.20	0.65	-	2.31	0.37	-	3.53
VOW	-	-	0.99	0.76	1.13	1.47	4.35
Gurukul Samanvay	-	-	0.59	0.41	-	-	1.00
Total	41.35	69.69	110.33	136.70	133.28	54.81	546.17

528. I note that interest on the disgorgement amount can be imposed from the date of violation. In the present case, the impugned services were provided through different courses and multiple batches. The relevant date would therefore have to be determined separately for each batch by identifying the first session in which the impugned services were provided. The material on record does not permit such a determination for each batch.

529. I therefore consider it appropriate to adopt the date of completion of the last batch covered by the examination (i.e. October 10, 2025) as the common starting point for calculating interest on the principal amount directed to be disgorged. Accordingly, simple interest at the rate of 12% per annum shall be calculated on that amount from the said date till the date of this order. A corresponding direction is incorporated below. The said interest shall be disgorged and deposited in the Investor Protection and Education Fund ('IPEF') of SEBI.

Liability for penalty

530. In view of the findings discussed in the preceding paragraphs, I note that the Noticee No. 1, 2 and 3 are liable for penalty under Section 15EB of the SEBI Act for offering investment advisory/research analysis services to the investors in securities without obtaining registration from SEBI and under Section 15HA of the SEBI Act for indulging in fraudulent activities in the securities market such as misleading videos. The provisions of Sections 15EB and 15HA of the SEBI Act are as under:

Section 15 EB - Penalty for default in case of investment adviser and research analyst



“Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.”

Section 15HA - Penalty for fraudulent and unfair trade practices

“If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher”.

Consideration of factors under section 15J

531. While determining the quantum of penalty, I have considered the disproportionate gain or unfair advantage resulting from the defaults, the loss caused to investors and the repetitive nature of the defaults, as required under section 15J of the SEBI Act. These factors are not exhaustive. The nature, duration and gravity of the contraventions, and the role of each Noticee, are also relevant to determining a proportionate penalty.
532. As regards gain or unfair advantage, ASTAPL and AS obtained fees by providing the unregistered advisory and research services examined earlier. Access to these services was the principal commercial attraction that drove enrolment and continuing participation.
533. As regards investor loss, I treat the amount of ₹ 546.17 crore as a quantified amount of loss caused by the defaults. I find that the conduct was repetitive. Securities-specific advice and research communications were supplied on successive occasions through the examined sessions and WhatsApp groups.
534. I also take into account that misleading promotional representations continued after SEBI's administrative warning dated March 1, 2024, which required ASTAPL/AS to refrain from misrepresenting facts and selectively presenting data in advertisements. The



- continuation of the conduct despite that warning aggravates its seriousness. The opportunity to correct the promotional practices did not result in the necessary compliance.
535. The circumstances of GS require separate treatment. Her liability has been founded on neglect in exercising oversight under Section 27(2) of the SEBI Act. The findings do not establish that she personally supplied the impugned services, devised the fraudulent arrangement or obtained wrongful gains attributable to it. Accordingly, the commercial benefit and direct participation established against ASTAPL and AS cannot automatically be attributed to her when determining penalty. Her penalty should reflect the nature, extent and duration of the neglect established against her.
536. In absence of registration, the advice/research recommendations given by ASTAPL/AS go without complying with the regulatory requirements or accountability, thereby, exposing investors to potential financial loss and an eventual loss of trust by the investors in the securities market. Such conduct cannot be addressed by a monetary penalty alone, as it strikes at the root of investor protection and undermines the integrity of the securities market. Therefore, I find that debarment is warranted in the instant case.

D. DIRECTIONS

537. In view of the foregoing, I, in exercise of the powers conferred upon me in terms Sections 11(1), 11(4), 11(4A), 11B (1), 11B (2) and Section 19 of the SEBI Act read with and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, do hereby issue the following directions:
- 537.1. The Noticees shall cease and desist from offering unregistered investment advisory and research analyst services and shall not use live or historical data which provides future directional movement for a specified security;
- 537.2. The Noticee No. 1 and 2 shall disgorge and refund, jointly and severally, within a period not later than five months from the date of receipt of this Order, the amount of ₹ 546.17 crore collected/received from investors/participants, as fees or consideration, in respect of their unregistered investment advisory/research analysis activities by depositing in a dedicated bank account. Refund shall be made from this dedicated bank account. Further, Noticee 1 and 2 are directed to deposit the interest



of ₹ 67.87 crore jointly and severally. The said interest shall be disgorged and deposited in the IPEF maintained by SEBI.

- 537.3. The Noticee No. 1 and 2 shall, within 30 days from the date of receipt of this order, issue a public notice in all editions of two National Newspapers (one English and one Hindi) and in one local newspaper in vernacular language with wide circulation, detailing the modalities for making the claim for refund, including the details of contact person such as name, addresses and contact details;
- 537.4. The repayments to the investors shall be effected only through electronic fund transfers or through any other appropriate banking channels with audit trails to identify the beneficiaries of repayments;
- 537.5. The Noticee No. 1 and 2 are prohibited from selling their assets, properties including mutual funds/shares/securities held by them in demat and physical form except for the purpose of effecting refunds as directed above, till the compliance of the directions at paragraphs 537.2 and 537.6 of this Order. Further, the concerned Depositories and RTAs in coordination with the banks are directed to ensure that the pay-outs and redemption/sale proceeds are debited from the bank accounts of these Noticees only for the purpose of compliance of this order;
- 537.6. After completing the aforesaid repayments, the Noticee No. 1 and 2 shall file a report of such completion with SEBI addressed to the “Market Intermediaries Regulation and Supervision Department”, within a period of 30 days of completion of refunds as stipulated in the period mentioned in directions at Para 537.2 as directed above, duly certified by peer reviewed Chartered Accountant;
- 537.7. The remaining balance refundable amount, if any, shall be deposited with SEBI which will be kept in an escrow account for a period of one year for distribution to clients/complainants/investors who had availed the investment advisory / research analysis services from the Noticees. Thereafter, remaining amount, if any, will be deposited in the IPEF maintained by SEBI;
- 537.8. The Noticees No. 1 and 2 are debarred from accessing the securities market, directly or indirectly and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of two



(2) years from the date of this order or till the date of compliance with direction issued in Para 537.2 above, whichever is later;

537.9. Noticee No. 3 is debarred from accessing the securities market, directly or indirectly and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 6 months from the date of the Order;

537.10. If the Noticees have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The Noticees are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order;

537.11. The bank accounts of the Noticee No. 1 and 2 shall be frozen for debits till the time they deposit the entire amount in the dedicated bank account and IPEF maintained by SEBI as mentioned in the directions at paragraphs 537.2 above. Till such deposit is made, the banks shall allow debit from the bank accounts of the Noticees, only for the purpose of transferring funds to the dedicated bank account mentioned in paragraph 537.2 above. The amount frozen in the bank accounts of these Noticees as per the directions contained in the Interim Order, shall be allowed to be credited to the said bank account.

538. Further, in exercise of powers conferred upon me under Sections 11(4A) and 11B(2) read with Section 15EB, 15HA and 15J of the SEBI Act, I hereby impose the following monetary penalty:

Noticee No.	Name of the Noticee	Penalty provision	Penalty amount (₹)
1	Avadhut Sathe Trading Academy Private Limited	Section 15HA	5 crore
		Section 15 EB	1 crore
2	Avadhut Dinkar Sathe	Section 15HA	3 crore
		Section 15 EB	1 crore
3	Gouri Avadhut Sathe	Section 15HA	1 crore
		Section 15 EB	50 lakh



539. The Noticees shall remit/pay the said amount of penalty, within a period of forty-five (45) days from the date of receipt of this order, through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT>Orders>Orders of EDs/CGMs>PAY NOW. In case of any difficulties in online payment of penalties, Noticees may contact the support at portalhelp@sebi.gov.in.
540. This order shall come into force with immediate effect. This order is signed with physical and digital signature.
541. This Order shall be subject to judicial orders, as applicable.
542. A copy of this order shall be sent to the Noticees, all the recognized Stock Exchanges, Depositories, Registrar and Transfer Agents of Mutual Funds, to ensure that the directions given above are strictly complied with.

N.
MURUGAN

Digitally signed by N.
MURUGAN
Date: 2026.10.23 20:48:45
+05'30'

Date: October 23, 2026

Place: Mumbai

N. MURUGAN

QUASI JUDICIAL AUTHORITY

SECURITIES AND EXCHANGE BOARD OF INDIA