QJA/BS/MIRSD/MIRSD-SEC-2/32713/2026-27

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

UNDER SECTION 12 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 27 OF SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES) REGULATIONS, 2008.

IN RESPECT OF:

NOTICEE	SEBI Registration No.	PAN
Ms. Priyanka Yadav - Proprietor of Trade Money Research	INH000010991	AFWPY1505P

In the matter of Ms. Priyanka Yadav - Proprietor of Trade Money Research

A. BACKGROUND

1. The present matter emanates from post enquiry show cause notice ("**SCN**") dated January 29, 2026 issued to **Ms. Priyanka Yadav - Proprietor of Trade Money Research** (hereinafter referred to as "**Noticee**") under regulation 27 (1) of SEBI (Intermediaries) Regulations, 2008 (hereinafter referred to as "**Intermediaries Regulations**"). The Noticee was registered with Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") as a Research Analyst ("**RA**") with SEBI registration no. INH000010991.

2. SEBI conducted a joint onsite inspection of the Noticee along with Bombay Stock Exchange (BSE) from October 08, 2024 - October 09, 2024 simultaneously at Nagpur, Maharashtra and Indore, Madhya Pradesh in respect of various compliance requirements that need to be ensured by the Noticee with respect to the provisions of SEBI (Research Analyst) Regulations, 2014 (hereinafter referred to as "**RA Regulations**").

3. SEBI's inspection, *inter alia*, observed that the Noticee had violated various provisions of RA Regulations.These findings/ observations of the inspection were communicated to the Noticee.

B. PROCEEDINGS BEFORE DESIGNATED AUTHORITY

4. Pursuant to findings/observations made in the course of inspection, SEBI initiated Enquiry proceedings under Chapter V of the Intermediaries Regulations against the Noticee.

5. The Designated Authority (**DA**) issued a show cause notice dated April 16, 2025 (hereinafter referred to as "**pre-Enquiry SCN**") to the Noticee under Regulation 25 (1) of the Intermediaries Regulations to show cause as to why appropriate recommendation should not be made against it in terms of Regulations 26 of the Intermediaries Regulations for the alleged violations.

6. In response to the pre-enquiry SCN issued by the DA, the Noticee filed its reply vide letter dated May 08, 2025. Opportunities for personal hearing were provided to the Noticee on May 20, 2025 and October 15, 2025 but the same were adjourned. Finally, opportunity of personal hearing was availed by the Noticee on October 27, 2025 through its authorized representatives. Thereafter, based on the allegations levelled against the Noticee in the pre-Enquiry SCN, reply filed by the Noticee, submissions made during the personal hearing and the material available on record, the DA concluded the Enquiry Proceedings and submitted the Enquiry Report ("**Enquiry Report**") dated January 09, 2026 in terms of regulation 26 of the Intermediaries Regulations.

7. The DA in his report has observed the following against the Noticee:

   7.1. The Noticee's activity was being carried out by a person who was earlier debarred by SEBI, from dealing in securities market.

7.2. The Noticee by having association with Sandeep Yadav had contravened the conditions for grant of registration and had not complied with the fit and proper criteria.

7.3. The Noticee had not communicated to its clients that the operations of the entity were being run by a person debarred by SEBI.

7.4. The entity had failed to conduct annual audit from the member of Institute of Chartered Accountants of India (ICAI) or Institute of Company Secretaries of India (ICSI).

8. Based on the aforesaid findings, the DA held that the violations pertaining to RA Regulations stood established against the Noticee. Accordingly, the DA recommended the following:

"After taking into consideration the facts and circumstances of the case, material available on record and submissions made by the Noticee, having regard to orderly functioning of the securities market and protection of interest of investors, I recommend that the certificate of registration of the Noticee i.e., Priyanka Yadav - Proprietor of Trade Money Research, SEBI Registration No: INH000010991, be cancelled in terms of Regulation 26(ii) of SEBI (Intermediaries) Regulations, 2008.."

C. <u>SHOW CAUSE NOTICE, REPLY AND HEARING</u>

9. Pursuant to the submission of the Enquiry Report, the SCN dated January 29, 2026 was issued to the Noticee in this proceeding. Vide the above-mentioned SCN, the Noticee was called upon to show cause as to why action as recommended by the DA or any other directions as deemed fit should not be issued/imposed on it in terms of Intermediaries' regulations. The Enquiry Report of the DA was enclosed with the SCN dated January 29, 2026 issued to the Noticee. Therefore, any reference in this Order to the allegations made in the SCN must also be read to include the conclusions arrived at in the Enquiry Report.

10. In response to the SCN, the Noticee submitted its reply *vide* e-mail/letter dated February 24, 2026. Subsequently, the Noticee was granted an opportunity of personal hearing on April 22, 2026. On the said date, the authorized representative (**ARs**) of the Noticee appeared before me and reiterated the submissions made *vide* the Noticee's e-mail/letter dated February 24, 2026. During the hearing, the Noticee was also required to clarify whether the Noticee has complied with the directions issued against her in an earlier Order of SEBI dated July 29, 2025. The Noticee vide letter/email dated May 04, 2026 made additional submissions elaborating on the queries raised during the hearing. Thereafter, the Noticee made post hearing submissions vide email/letter dated May 04, 2026.

11. The submissions made by the Noticee (through its AR) during the personal hearing and vide its replies dated February 24, 2026 and May 04, 2026 are summarised below:

11.1. The Noticee submitted that proposed cancellation of license would result in severe and disproportionate hardship, which is neither warranted by the nature of the allegations nor justified in the facts and circumstances of the present case.

11.2. The Noticee submitted that she runs a small scale Research Analyst concern with limited operational capacity and any restriction or cancellation on license would directly impact the Noticee's ability to sustain operations and meet essential financial obligations, including Cancellation of license would indirectly impact the Noticee's ability to sustain operations and meet essential financial obligations, including basic livelihood requirements.

11.3. The Noticee submitted that she and her dependents are solely dependent on her profession as RA and any extreme measure would have cascading financial consequences and may jeopardize the continuity of business.

11.4. The Noticee further submitted that the allegations forming the basis of present proceedings, do not constitute grave or egregious violations warranting a business-restrictive action such as cancellation of registration. The Noticee stated that the issues are interpretational, arose due to lack of clarity at the relevant period of time, subjective assessment of certain communications and was not due to any intentional, fraudulent or malafide conduct on part of the Noticee.

11.5. The Noticee submitted that if any regulatory action is considered necessary, the same may be restricted to issuance of regulatory censure and that would meet the ends of justice and be proportionate to the nature of the alleged lapses, without causing financial and operational hardship.

11.6. The Noticee submitted that corrective measures have already been undertaken, internal controls have been strengthened and she remains fully committed to ensuring strict compliance with applicable laws and regulations.

<u>Submission pertaining to allegations that the activities were being carried out by person debarred by SEBI, from dealing in securities market</u>

11.7. The Noticee while denying the allegations submitted that the findings are based on presumptions, stretched interpretations and inferences unsupported by cogent, independent, or legally admissible evidence.

11.8. The Noticee also submitted that the conclusions travel far beyond the scope of Section 12 of the SEBI Act and Regulations 13 of the RA Regulations because she had applied for registration in her own name, made all disclosures as required under RA regulations, was duly granted registration after scrutiny and all the services have been rendered strictly in according with that registration.

11.9. The Noticee further submitted that in absence of allegations pertaining to foundational elements *viz.* allegations that the certificate of registration was invalid, registration was obtained by fraud or any document submitted was false, invocation of Section 12 is unsustainable.

11.10. The Noticee submitted that section 12 does not state-explicitly or impliedly that if the spouse of a registered intermediary is debarred, the registration holder automatically becomes disqualified or deemed to be operated by such spouse. The Noticee contended that if such an interpretation is accepted, any relative, friend or associates regulatory history could invalidate a valid registration.

11.11. The Noticee further submitted that she had made no false declarations, no material information was concealed and no information submitted at the time of registration has been proven incorrect. The Noticee contended that since the application form does not require disclosure of professional or regulatory status of spouse, treating the debarment of her spouse as a material eligibility factor ought to have been explicitly included in the regulation and the said requirement cannot be applied retrospectively to her.

11.12. The Noticee submitted that although the central allegation is that her spouse was running the business, there is no supporting evidence at all viz. research reports signed by him, client agreements executed by him, bank accounts operated by him, compliance filings made by him, client complaints or any forensic report proving exclusive operational control.

11.13. The Noticee submitted that the reliance placed on the statement of lessor is misplaced as he is not an employee, client, compliance officer or privy to daily operations of the Noticee. She contended that a third party landlord cannot determine who was running the operations and the statement can be treated at best as hearsay and speculative in nature.

11.14. The Noticee submitted that she and her spouse (Mr. Sandeep Yadav) are two independent legal persons with separate PAN number, separate regulatory status and separate legal accountability. The Noticee stated that the marriage does not merge legal identity and unless there is clear evidence of benami arrangement, fraudulent misrepresentation, or documented operational substitution, her identity cannot be merged with her husband.

Submissions pertaining to contravention of conditions for grant of registration and non-compliance with fit and proper criteria

11.15. The Noticee submitted that as the registration was obtained in her own name, she alone has acted as the registered research analyst and all research activities, communications and compliance obligations were discharged by her only. Hence, the Noticee contended that without any documentary/trail evidence, it cannot be reasonable inferred that Mr. Sandeep Yadav was operating the research advisory services.

11.16. The Noticee further submitted that no single independent document demonstrating delegation, authorisation, control or operational management by Mr. Sandeep Yadav, and there are no bank record, client communication, signed research report, authorisation document or employment record establishing the allegations.

11.17. The Noticee submitted that at the time of registration, all information sought by SEBI in the registration application was duly disclosed, no query was raised requiring disclosure of the regulatory history of her spouse and nothing was suppressed or withheld. The Noticee contended that since the registration was granted after scrutiny and examination by SEBI, no retrospective allegation can be made at this stage.

11.18. The Noticee also submitted that there is no finding that she misled clients, defrauded investors, violated research services norms, issued misleading research or engaged in any unethical conduct. The Noticee stated that in absence of any evidence that there was lack of honesty or integrity in her functioning as a research advisor, fit and proper criteria cannot be said to have been violated.

11.19. The Noticee submitted that there was no intention to conceal any information, all queries raised by the regulator were answered and registration was obtained after due regulatory scrutiny. The Noticee stated she remains fully willing to comply with any reasonable directions, warning or compliance condition.

<u>Submissions pertaining to allegations that the entity had not communicated to its clients that the operation of the entity was being run by a person debarred by SEBI</u>

11.20. The Noticee submitted that Regulation 19 of RA Regulations requires disclosure of material information relating to the research analyst and its associates, which is necessary for investors to take informed decisions. The Noticee contended that since Mr. Sandeep Yadav did not qualify as an associate or be connected with the research activity and the there was no material information connected to research decisions, the obligations under Regulation 19 does not apply.

11.21. The Noticee submitted that Mr. Sandeep Yadav is not an associate, has not issued, signed, reviewed, approved, influenced or participated in any research report, his name does not appear in any research output, he has not communicated with clients and not represented himself as connected to the research services. Therefore, the debarment of Mr. Sandeep Yadav does not qualify as material information under Regulation 19 of RA Regulations.

11.22. The Noticee further submitted that there was no investor risk and no investor prejudice was caused because Mr. Sandeep Yadav was not associated with research advisory functions and no suppression of any material fact was done.

11.23. The Noticee also submitted that Enquiry Report does not establish any kind of operational delegation, financial control, research authorship, managerial decision making, client communication or evidence of representation by Mr. Sandeep Yadav. Hence, the Noticee contended that in absence of such proof, the allegations remains speculative.

Submissions pertaining to allegation that annual audit was not conducted from the member of ICAI/ICSI

11.24. The Noticee submitted that Regulation 25 (3) of RA Regulations does not prescribe any specific due date, timeline, deadline or outer time limit within such annual audit has to be conducted. In the absence of any such stipulation, non-completion of audit in a prescribed timeline cannot be automatically complied as non-compliance.

11.25. The Noticee submitted that the requirement prescribing a clear timeline was introduced vide SEBI Circular dated January 08, 2025 and prior to that there was no express statutory deadline. The Noticee contended that since the Regulation itself was silent on the timeline at the time of inspection, the said requirement cannot be applied retrospectively.

11.26. The Noticee further submitted that the audit process had been initiated, audit report was duly obtained and submitted and the there was no suppression of record, no refusal to appoint an auditor and no denial of compliance obligation. Therefore, the Noticee contended that submission of audit report belatedly was a procedural lapse and cannot be equated with violation warranting adverse finding.

11.27. The Noticee also submitted that the Enquiry Report does not specify the exact due date allegedly breached, the statutory source of such deadline and the prejudice caused due to such submission.

Submissions pertaining to allegation of failure to comply with requirements relating to grievance mechanism and updating of the same on the website

11.28. The Noticee submitted that the Enquiry Report has correctly recorded the factual position that SEBI Registration Certificate was duly displayed, grievance redressal mechanism were made available at the premises and at all times maintained transparency in relation to regulatory credential and investor grievance channels.

11.29. The Noticee submitted that Regulation 26A of the RA Regulations and the Master Circular does not require maintenance of grievance records and in the absence of any specific requirement mandating maintenance of manual or physical register in a specific format, where electronic records are already maintained and retrievable, and no violation can be attributed to the Noticee.

11.30. With respect to the allegation that the investor grievance register was not maintained, the Noticee submitted that it has a dedicated email address for receipt of email communication, all emails are duly recorded and preserved electronically along with timestamps, responses and resolution details.

11.31. With respect to the allegations that complaints lodged through SCORES were not maintained in the grievance register, the Noticee submitted that the complaints lodged through SCORES are digitally recorded and the complete records can be produced as and when required.

11.32. The Noticee submitted that since there has been no suppression of complaint data, no inability to furnish records, no destruction or absence of complaint history and no investor grievance has been left unrecorded, the allegations does not stand established.

<u>Other Submissions</u>

11.33. The Noticee submitted that she has paid an amount of INR 10,00,000 in respect of an earlier order dated July 29, 2025 passed by SEBI under section 11 (1), 11 (4), 11 (4A), 11B (1) and 11B (2) of SEBI Act, 1992 and the payment was made solely to comply with the directions to bring closure to the proceedings. The Noticee has contended that such payment should not be construed as admission of alleged violations.

11.34. The Noticee further submitted that with respect to directions of refund of client fees for unexpired portion of their service contracts as of the date of the order dated July 29, 2025, no refunds were done because she had no active clients and there was no subsisting contracts or unexpired service periods.

D. CONSIDERATION OF ISSUES AND FINDINGS

12. I have perused the Enquiry Report, SCN, replies of the Noticee and other material available on record. After considering the allegations levelled against the Noticee in the instant matter, the following issues arise for consideration:

Issue No. 1: Whether the Noticee had informed SEBI regarding the change in office address from Nagpur, Maharashtra to Indore, Madhya Pradesh?

Issue No. 2: Whether the Noticee’s activity was being carried out by a person who was debarred by SEBI from dealing in the securities market?

Issue No. 3: Whether the Noticee had contravened the conditions for grant of registration and had not complied with the fit and proper criteria?

Issue No. 4: Whether the Noticee had not made appropriate disclosure in the research report?

Issue No. 5: Whether the Noticee had failed to conduct annual audit from the member of ICAI / ICSI?

Issue No. 6: Whether Noticee had failed to maintain grievance register and failed to prominently display grievance redressal mechanism available to investors?

13. Before proceeding, I find it appropriate to reproduce below the relevant provisions of the regulations and circulars alleged to have been violated by the Noticee:

SECURITIES AND EXCHANGE BOARD OF INDIA (RESEARCH ANALYSTS) REGULATIONS, 2014

Consideration of application and eligibility criteria.

6. *For the purpose of the grant of certificate the Board shall take into account all matters which are relevant to the grant of certificate of registration and in particular the following, namely:-*

…

(vii) whether the applicant, individuals employed as research analyst and partners of the applicant, if any, are fit and proper persons based on the criteria as specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

…

(x) whether any disciplinary action has been taken by the Board or any other regulatory authority against the applicant or any person directly or indirectly connected to the applicant under the respective Act, rules or regulations made thereunder.

Conditions of certificate.

13. *The certificate granted under regulation 9 shall, inter alia, be subject to the following conditions:-*

(i) the research analyst shall abide by the provisions of the Act and these regulations;

(ii) the research analyst shall forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted;

(iii) research analyst registered under these regulations shall use the term 'research analyst' in all correspondences with its clients.

Disclosures in research reports.

19. *A research analyst or research entity shall disclose all material information about itself including its business activity, disciplinary history, the terms and conditions on which it offers research report, details of associates and such other information as is necessary to take an investment decision, including the following:*

(i) Research analyst or research entity shall disclose the following in research report and in public appearance with regard to ownership and material conflicts of interest:

(a) whether the research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest;

(b) whether the research analyst or research entity or its associates or relatives, have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance;

(c) whether the research analyst or research entity or his associate or his relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance;

(ii) Research analyst or research entity shall disclose the following in research report with regard to receipt of compensation:

(a) whether it or its associates have received any compensation from the subject company in the past twelve months;

(b) whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;

(c) whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;

(d) whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;

(e) whether it or its associates have received any compensation or other benefits from the subject company or third party in connection with the research report.

(iii) Research analyst or research entity shall disclose the following in public appearance with regard to receipt of compensation:

(a) whether it or its associates have received any compensation from the subject company in the past twelve months;

(b) whether the subject company is or was a client during twelve months preceding the date of distribution of the research report and the types of services provided:

Provided that research analyst or research entity shall not be required to make a disclosure as per sub-clauses (c), (d) and (e) of clause (ii) or sub-clauses (a) and (b) of clause (iii) to the extent such disclosure would reveal material non-public information regarding specific potential future investment banking or merchant banking or brokerage services transactions of the subject company.

(iv) whether the research analyst has served as an officer, director or employee of the subject company;

(v) whether the research analyst or research entity has been engaged in market making activity for the subject company;

***(vi)** Research analyst or research entity shall provide all other disclosures in research report and public appearance as specified by the Board under any other regulations.*

General responsibility.

***24.** ….*

(2) Research analyst or research entity shall abide by Code of Conduct as specified in Third Schedule.

Maintenance of records.

***25.** (1) Research analyst or research entity shall maintain the following records:*

…

(ii) research recommendation provided;

(iii) rationale for arriving at research recommendation;

…

(vii) records of communication including emails, call recordings etc. with all clients including prospective clients in such manner as may be specified;

(2) All records shall be maintained either in physical or electronic form and preserved for a minimum period of five years:

Provided that where records are required to be duly signed and are maintained in electronic form, such records shall be digitally signed.
(3) Research analyst or research entity shall conduct annual audit in respect of compliance with these regulations from a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India 42[or Institute of Cost Accountants of India and submit the report of the same in such manner as may be specified by the Board].

Dispute Resolution.
26A. *All claims, differences or disputes between a research analyst or research entity and its client arising out of or in relation to the activities of the research analyst or research entity in the securities market shall be submitted to a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by the Board.*

THIRD SCHEDULE
CODE OF CONDUCT FOR RESEARCH ANALYST
1. Honesty and Good Faith
Research analyst or research entity shall act honestly and in good faith.
2. Diligence
Research analyst or research entity shall act with due skill, care and diligence and shall ensure that the research report is prepared after thorough analysis.
6. Professional Standard
Research analyst or research entity or its employees engaged in research analysis shall observe high professional standard while preparing research report.
7. Compliance
Research analyst or research entity shall comply with all regulatory requirements applicable to the conduct of its business activities.

SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/49 dated May 21, 2024 (SEBI Master Circular dated May 21, 2024)
https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-research-analysts_83487.html

14. I shall now proceed to deal with the violations alleged, basis the conclusions in the Enquiry report:

I. Whether the Noticee had informed SEBI regarding the change in office address from Nagpur, Maharashtra to Indore, Madhya Pradesh?

15. The pre enquiry SCN had alleged that the Noticee had sought registration for RA activities by stating Nagpur as its registered office address while actual activities were being carried out by the Noticee from Indore with no intimation to SEBI/ Research Analyst Administration and Supervisory Body (RASSB). Therefore, it

was alleged that the Noticee had violated Regulation 13 (ii) of SEBI (Research Analyst) Regulations, 2014.

16. Under Regulation 13 of the RA Regulations, a research analyst is required to promptly inform SEBI of any material change in the information or particulars previously furnished at the time of registration. Accordingly, any change in office address must be duly intimated to SEBI in a prescribed and timely manner.

17. In this regard, the DA has noted that the Noticee had submitted a letter to SEBI's Indore Local Office regarding the change of office address from Nagpur to Indore. Therefore, the DA has observed that the instant allegation does not stand established.

18. As per the material available on record, it was observed that the address of entity as mentioned the website was "Building no. 26, TC Chamber, Scheme No. 54, PU4, Indore- 450 210." Further, there is an intimation on record from the Noticee to SEBI regarding the change in address of Office of the Noticee. Therefore, I agree with the conclusion of the DA that the instant allegation does not stand established against the Noticee.

II. Whether the Noticee's activity was being carried out by a person who was debarred by SEBI from dealing in the securities market?

19. The SCN alleged that the Noticee has violated the provisions of Section 12 of SEBI Act read with regulation 13 of RA Regulations, 2014 because the Noticee's activity were being carried out by a person who was debarred by SEBI from dealing in the securities market.

20. The Noticee has submitted that there is no evidence of involvement of Mr. Sandeep Yadav in the day-to-day operations of the Research Analyst business. The Noticee further submitted that spouses are independent entities and regulatory history of one spouse should not affect the registration status of another spouse. The Noticee

also submitted that the statement of lessor of the Nagpur office premises, ought not to be treated as conclusive, since he was not not associated with the functioning of the intermediary and was therefore not in a position to accurately state who was conducting the day-to-day operations from the said address.

21. I note that, during SEBI's physical inspection of the Noticee's office premises at Nagpur, the lessor of the said premises, furnished a written statement dated October 8, 2024, stating that the business activities at the said premises were being carried out by the Noticee along with her husband, Mr. Sandeep Yadav. I further note that, during SEBI's visit to the Noticee's Indore office, although the Noticee herself was not present, Mr. Sandeep Yadav confirmed the same position vide an email dated October 8, 2024 and also through a separately signed statement of even date.

22. It is also noted that, in the said signed statement, which was annexed to the SCN, Mr. Sandeep Yadav expressly admitted that he was managing and operating the business activities of Trade Money Research. He further acknowledged that the Research Analyst registration had been obtained in the name of the Noticee solely because proceedings had been initiated against him, thereby disabling him from seeking registration or carrying on such activities in his own name. These materials, when read together, clearly demonstrate the involvement of Mr. Sandeep Yadav in the operations of the Noticee's business.

23. The Noticee has not denied the existence of this signed statement and no subsequent communication has been brought on record by the Noticee to dispute the said statement/email sent by the Noticee. The admission of Mr. Sandeep Yadav is relevant to be reproduced:

"I am running the operation of Trade Money Research at the aforementioned address in Indore.

I took registration from Nagpur address in name of my wife as obtaining registration from Indore was difficult as I was issued SCN in the matter of Capital Vista somewhere in 2016 from Indore Local Office. Further, obtaining registration of Investment Adviser was difficult due to regulatory compliances.

I submit that my wife has no role in the operations of the Trade Money Research which is registered with SBEI as RA and she is the proprietor of Trade Money Research just on paper."

24. The admission of Mr. Sandeep Yadav clearly establishes his role in carrying out the activities of the Noticee. While the Noticee has sought to contend that spouses are independent legal entities, the issue in the present matter does not arise from the mere marital relationship between the Noticee and Mr. Yadav. Rather, the gravamen of the allegation is that Mr. Yadav, a person debarred by SEBI, was involved in the functioning and operations of the Noticee's business. It is for this reason, and not merely because he is the Noticee's husband, that the allegations against the Noticee arise.

25. In view of above, I agree with the conclusion of the DA that Noticee violated the provisions of Section 12 of SEBI Act read with regulation 13 of RA Regulations, 2014.

III. <u>Whether the Noticee had contravened the conditions for grant of registration and had not complied with the fit and proper criteria?</u>

26. The SCN alleged that that the Noticee by having association with Sandeep Yadav had contravened the conditions for grant of registration and had not complied with the fit and proper criteria. Therefore, it was alleged that the Noticee had violated the provisions of Regulation 6 (vii) and 6(x) read with Regulation 13 (i) of RA Regulations, 2014.

27. Regulation 13 (i) mandates a RA to abide by all applicable rules and regulations. Further, Regulation 6 makes it clear that, for the purpose of grant of certificate of registration, SEBI is required to consider, inter alia, whether the applicant, its research analysts and partners are fit and proper persons, and whether any disciplinary action has been taken by SEBI or any other regulatory authority against the applicant or any person directly or indirectly connected to the applicant.

28. It has been concluded above that the operations of the Noticee were being run by Mr. Sandeep Yadav who was also the spouse of the Noticee. I note from the material available on record that Mr. Sandeep Yadav (the proprietor of Capital Vista – Investment Advisor) was debarred by SEBI for carrying out unregistered investment advisory activities vide Order dated January 30, 2023 from accessing the securities market for a period of 2 years from the date of the order or till the expiry of 2 years from the date of completion of refund to complainants/investors/clients, whichever is later.

29. I note that as per Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, 'fit and proper' criteria include considerations such as integrity, honesty, ethical behavior, reputation, fairness and character of the person. The Noticee was having association with Mr. Sandeep Yadav, who was debarred by SEBI for carrying out unregistered investment advisory activities and had concealed this information from SEBI at the time of registration. In view thereof, I find that the allegation against the Noticee stands established.

30. In view of the above, I agree with the conclusion of the DA that the Noticee had violated the provisions of that the Noticee had violated Regulation 6(vii) and 6(x) of RA Regulations, 2014 read with Regulation 13 (i) of RA Regulations, 2014.

IV. **Whether the Noticee had made appropriate disclosure in the research report?**

31. The SCN had alleged that the Noticee was in violation of Regulation 19 of the SEBI RA Regulations, 2014 because it did not communicate to its clients that the operations of the entity were being run by a person debarred by SEBI, which was in violation of Regulation 19 of RA Regulations

32. Regulation 19 of the RA Regulations, a research analyst shall disclose all material information to its clients which is necessary to take an investment decision including its business activity, disciplinary history, the terms and conditions on which it offers research report, details of associates etc.

33. The Noticee submitted that Regulation 19 of RA Regulations was not attracted in the facts of the case, since Mr. Sandeep Yadav was neither an associate nor connected with the research activity, and therefore his debarment did not constitute material information requiring disclosure. It was contended that he had no role in issuance, review, approval or preparation of any research report, did not communicate with clients or hold himself out as connected with the research services, and that no investor risk, prejudice or suppression of material fact had arisen. The Noticee further submitted that the Enquiry Report does not establish any operational, managerial, financial or client-facing role of Mr. Sandeep Yadav and that, in the absence of such evidence, the allegation is speculative.

34. In this regard, the DA has noted that Mr. Sandeep Yadav was running the operations of Trade money research and the Noticee has neither denied nor disputed that it did not communicate to its clients that the operations of the entity were being run by a person debarred by SEBI.

35. RA Regulations refers to the definition of associate as defined in the SEBI Intermediaries Regulation. The definition of associate as per the Intermediaries Regulation is reproduced below:

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

36. I note that it has already been concluded above that Mr. Sandeep Yadav was running the operations of Trade money research. Further, as per the definition of 'associate' reproduced above, Mr. Sandeep Yadav clearly falls within the ambit of an associate. Consequently, under Regulation 19 of the SEBI (Research Analysts) Regulations, 2014, the particulars of Mr. Sandeep Yadav, including his disciplinary history, constituted material information which ought to have been duly disclosed and communicated to the clients.

37. In view thereof, I agree with the conclusion of the DA that the Noticee did not communicate to its clients the material information that its operations were being run by a person debarred by SEBI and hence was in violation of Regulation 19 of RA Regulations.

V. <u>Whether the Noticee had failed to conduct annual audit from the member of ICAI / ICSI?</u>

38. The SCN alleged that the Noticee had failed to submit annual audit report from member of ICAI/ICSI in respect of compliance with RA regulations and violated the provisions of Regulation 25 (3) of RA Regulations, 2014.

39. I note that as per regulation 25 of RA Regulations, RAs are required to conduct annual audit in respect of compliance with RA Regulations from a member of ICAI

or ICSI or Institute of Cost Accountants of India and submit the annual audit report to the Board.

40. The Noticee core submission is that, at the relevant time, Regulation 25(3) of the RA Regulations did not prescribe any specific timeline or due date for conduct of the annual audit and, therefore, delayed completion or submission of the audit could not automatically be treated as non-compliance. It was further contended that a clear timeline was introduced only subsequently vide SEBI Circular dated January 8, 2025 and could not be applied retrospectively. The Noticee also submitted that since the audit process had been initiated and the audit report was ultimately obtained and furnished, the delay, if any, was merely procedural in nature.

41. In this regard, the DA has observed that while RA Regulations did not mandate a specific deadline for submission of the audit report, as on the date of inspection, but it imposes a continuing obligation to conduct an annual audit and consequently submit the audit report. Therefore, DA observed that the audit report should have been submitted within reasonable time from the end of the financial year for which the audit is undertaken.

42. I note that the Noticee has submitted the audit report for FY 2023-24, dated April 10, 2025, along with the reply to the SCN. The audit report does not mention the date of appointment of the auditor. This deficiency was also specifically noted by the Designated Authority, yet the Noticee has neither rebutted nor clarified the same in the reply filed before me. Further, if the interpretation submitted by the Noticee is accepted, it would defeat the very purpose of the provision. The requirement of an annual audit is intended to ensure that SEBI remains apprised of the intermediary’s functioning on a periodic basis, and any interpretation that permits indefinite delay in compliance would frustrate the object underlying the provision.

43. Further merely because a provision does not prescribe a specific timeline, the same cannot be construed as permitting compliance at any indefinite point of time. In the absence of a prescribed timeline, the statutory obligation must be complied within a reasonable time and cannot be understood as being without any outer limit. In the present case, submission of the annual audit report with a delay of more than two years cannot, by any standard, be regarded as reasonable and is therefore violative of Regulation 25 (3) of RA Regulations.

44. In view of all the above, I agree with the conclusion of the DA that the Noticee had failed to conduct annual audit from the member of ICAI / ICSI and had violated the provisions of Regulation 25(3) of RA Regulations.

VI. Whether Noticee had failed to maintain grievance register and failed to prominently display grievance redressal mechanism available to investors

45. The pre-enquiry SCN alleged that the Noticee has failed to comply with requirements relating to investor grievance mechanism by not maintaining grievance register for complaints lodged through SCORES and complaints received from clients. The SCN also observed that there was no display of SEBI registration certificate and grievance redressal mechanism at office premises and the website did not display accurate and updated investor complaints. Therefore, the SCN alleged that the Noticee has violated paragraph 4.2 of SEBI Master Circular dated May 21, 2024 read with Regulation 26A of the RA Regulations.

46. Regulation 26A of the RA Regulations requires that disputes between a research analyst or research entity and its clients be resolved through the dispute resolution mechanism specified by SEBI. Further, paragraph 4.2 of SEBI Master Circular dated May 21, 2024 mandates that research analysts prominently display at their offices the grievance redressal mechanism available to investors, including the relevant contact and escalation details.

47. I note that inspection report had observed that the Noticee failed to maintain grievance register for the complaints lodged through SCORES and complaints received directly from the clients. Also, at the time of inspection at Nagpur as well as Indore location, as per the inspection report, there was no display of SEBI registration certificate and grievance redressal mechanism at office premises. Further, the inspection report had also observed that on website of the RA, there was no display of accurate and updated investor complaints details as required

48. In this regard, the DA had observed that benefit of doubt may be given to the Noticee because there was no material available on record as regards the non-display of SEBI registration certificate and grievance redressal mechanism at office premises.

49. I note that the Noticee had placed before the DA supporting photographs to substantiate that the SEBI registration certificate and the grievance redressal mechanism were duly affixed at the office premises, including inside the cabins where client interactions were conducted. Further, the material available on record does not disclose anything to the contrary so as to dislodge the said contention of the Noticee. I also note that a perusal of Regulation 26A of the RA Regulations does not indicate any requirement for maintenance of a grievance register in any prescribed or specific format

50. Therefore, on the basis of materials available on record, I agree with the conclusion of the DA and allow the benefit of doubt to the Noticee in this regard.

E. CONCLUSION

51. For the reasons mentioned in the preceding paragraphs, I find that that the Noticee has violated the following provisions:

a. The Noticee’s activity was being carried out by a person who was debarred by SEBI from dealing in securities market - Regulation 6 (vii) and 6(x) read with Regulation 13 (i) of SEBI (Research Analyst) Regulations, 2014.

b. The Noticee had contravened the conditions for grant of registration and had not complied with the fit and proper criteria - Regulation 13 (ii) of SEBI (Research Analyst) Regulations, 2014.

c. The Noticee had not made appropriate disclosure in the research report - Regulation 19 of RA Regulations

d. The Noticee had failed to conduct annual audit from a member of ICAI / ICSI - Regulation 25(3) of RA Regulations.

52. I note that SEBI vide an earlier Order dated July 29, 2025 had also issued certain directions and imposed a penalty of INR 10 Lakh against the Noticee pertaining to the same inspection pursuant to which present proceedings have been initiated. The Noticee has also submitted that the payment of penalty in the said proceedings may not be construed as acceptance of violation but were paid in order to bring the proceedings to a closure.

53. The relevant directions issued against the Noticee vide the earlier SEBI Order dated July 29, 2025 are reproduced below:

“62. In view of the above, I, in exercise of powers conferred on me in terms of Section 11(4), 11(4A), 11B(1), 11B(2) and 19 of the SEBI Act, 1992,and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, do hereby pass the following directions, in the interest of investors and market integrity:

a) Noticee is restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities (including units of mutual funds), directly or indirectly, or being associated with the securities market in any manner, whatsoever, including by undertaking, either directly or indirectly, any activity in the nature of research analyst services for a period of Two (2) years, from the date of this order;

b) The restraint imposed in paragraph (a) above shall be treated as pre-mature termination of Research Analyst services in terms of SEBI Master Circular Ref. No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/9 dated June 27, 2025 and Noticee shall *ensure that all clients who are entitled for proportionate fees are so refunded, corresponding to the unexpired period of service, within a period of three months from the date of receipt this order. Further, the Noticee shall not levy any breakage fee or penalty on such clients.*

c) *The Noticee, shall send electronic mail to his clients and also issue public notice in all editions of two National Dailies one in English and one newspaper in vernacular language with wide circulation, detailing the modalities for refund, including the details of contact person such as name(s), address(es) and contact detail(s) of person(s) to be approached for refund, within 15 days from the date of receipt of this order;*

d) *After completing the aforesaid refunds, the Noticee shall file a report of such completion with SEBI addressed to the "Division Chief, SEC-2,Market Intermediaries Regulation and Supervision Department, SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051", within a period of 15 days, after expiry of four months from the date of public notice, as directed above, duly certified by a peer reviewed Chartered Accountant. The Chartered Accountant shall certify that all the entitled clients have been refunded the proportionate fees through banking channels.*

e) *Noticee is hereby imposed with penalty of Rs.10, 00,000/-(Rupees Ten Lakhs Only) under Section 15EBof the SEBI Act, 1992.*

…

h) *The obligation of the Noticee, restrained/ prohibited by this Order, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange(s), as existing on the date of this Order, are allowed to be discharged irrespective of the restraint/prohibition imposed by this Order. Further, all open positions, if any, of such Noticee(s) in the F&O segment of the recognised stock exchange(s) are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order."*

54. I also note that, vide an earlier Order dated January 30, 2023, SEBI had debarred the Noticee's spouse, Mr. Sandeep Yadav, from accessing the securities market, directly or indirectly, for a period of two years from the date of the order or until the expiry of two years from the date of completion of refunds, whichever is later. It is relevant to note that SEBI has initiated recovery proceedings against Mr. Sandeep Yadav vide Recovery Certificate No. 7554 of 2024 for failure to comply with the said directions of SEBI and the same is still pending, as on date.

55. Having regards to the facts and circumstances discussed in aforesaid paragraphs, I am inclined to agree with the recommendation made by the DA for the following reasons:

55.1. The Noticee obtained registration as a Research Analyst on December 01, 2022. Significantly, such registration was obtained after issuance of the show cause notice dated July 9, 2021 to Mr. Sandeep Yadav (in the matter of Capital Vista Services/Research Vista) and prior to the issuance of final order dated January 30, 2023. This sequence of events indicates that the registration in the name of the Noticee was obtained at a time when Mr. Sandeep Yadav was fully aware of the pendency of proceedings against him before SEBI.

55.2. Mr. Sandeep Yadav, both in his signed statement and through email, admitted that he was running the operations of the Noticee's Research Analyst concern. The Noticee has neither disputed the existence of the said signed statement nor offered any satisfactory explanation as to why no follow-up communication was sent to contradict or retract the earlier emails containing such admissions. Further, the Noticee has not sought cross-examination of any person whose statements have been relied upon, which lends further support to the conclusion that Mr. Sandeep Yadav was, in fact, running the operations of the Noticee's concern and is therefore exercising control over the registered intermediary.

55.3. The Noticee has already been debarred from accessing the securities market and further prohibited from undertaking, either directly or indirectly, any activity in the nature of research analyst services for a period of two (2) years from the earlier SEBI Order dated July 29, 2025. The said directions of debarment are still in force.

55.4. Although the Noticee has sought to contend that payment of the penalty amount of INR 10 lakh should not be construed as an admission of violation, it is noted that the violations arising from the same set of facts and circumstances have remained unchallenged before any forum, and therefore the findings therein remain conclusive.

55.5. Mr. Sandeep Yadav who is found to have been running the operations of the Noticee, is yet to comply with the directions of SEBI to refund the investors/clients and a recovery certificate has been drawn by SEBI in 2024 for refunding an amount of INR 1, 01, 65,000 /- to the investors/clients.

56. I note that findings in the instant proceedings that Mr. Sandeep Yadav (who till date continues to defy SEBI directions to refund the investors/clients) was involved in the operations of the research advisory services provided by his wife- Noticee, clearly indicates that his wife-Noticee was being used as a front to circumvent the directions issued by SEBI. Such a brazen attempt to circumvent the directions issued by SEBI constitutes a grave regulatory infraction and strikes at the very root of the regulatory discipline sought to be maintained in the securities market.

57. Further, Hon'ble SAT vide its Order dated 06.09.2006 (*Jermyn Capital LLC vs SEBI*) while dealing with the assessment of fit and proper criteria in the context of association with a previously debarred individual, observed that the purpose of the regulatory framework is to ensure that the securities market remains a safe place for investors and that even a single undesirable element may not only pollute the market but also seriously prejudice the interests of innocent investors. The relevant portion of the order is reproduced below:

"The purpose of the Regulations is to achieve the aforesaid objects and make the securities market a safe place to invest. One bad element can, not only pollute the market but can play havoc with it which could be detrimental to the interests of the innocent investors. In this background, the Board may, in a given case, be justified in keeping a doubtful character or an undesirable element out from the market rather than running the risk of allowing the market to be polluted…."

58. In my view, a registered entity clearly related to a person whose actions has not only violated investors interest but constantly defied the regulators directions, cannot be regarded as a fit and proper person. Allowing such undesirable elements to function in the market, can cause significant damage to investor interest and investor confidence. Further, other violations alleged against the Noticee also stand proved.

F. ORDER

59. In view of the foregoing, I, in exercise of the powers conferred upon me under sub section (3) of Section 12 and Section 19 of the SEBI Act, 1992 read with the sub-regulation (5) of regulation 27 of the Intermediaries Regulations, hereby cancel the certificate of registration of the Noticee i.e. Ms. Priyanka Yadav (Proprietor of Trade Money Research) having SEBI Registration No: INH000010991.

60. The Order shall come into force with immediate effect.

61. A copy of this order shall be served upon the Noticee and on BSE Limited (being the Research Analyst Administration and Supervisory Body) for its information and record.

Biju S Digitally signed by Biju S Date: 2026.09.10 15:54:52 +05'30'

Date: September 10, 2026

Place: Mumbai

BIJU S.
QUASI JUDICIAL AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA