



**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
ADJUDICATION ORDER No. Order/MS/RG/2026-27/32763**

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**UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA  
ACT, 1992 READ WITH RULE 5 OF THE SEBI (PROCEDURE FOR HOLDING  
INQUIRY AND IMPOSING PENALTIES) RULES, 1995**

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**In respect of:**

**Vineet Ashwinikumar Chawla**

(PAN: AYRPC6869L/ SEBI Registration No.: INH000008190)

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**A. BACKGROUND**

1. Vineet Ashwinikumar Chawla (hereinafter referred to as “**Noticee**”) has been registered with Securities and Exchange Board of India (hereinafter also referred to as ‘SEBI’) as a Research Analyst. The registration number of the Noticee is INH000008190. SEBI conducted an inspection of Vineet Ashwinikumar Chawla on January 29, 2026 for the inspection period April 01, 2024 to November 30, 2025 (hereinafter referred to as “**Inspection period/IP**”).
2. Thereafter, SEBI communicated the findings of the said inspection to the Noticee vide letter dated March 18, 2026. In response, the Noticee submitted replies vide letters dated March 19, 2026 and March 24, 2026.
3. After analyzing the findings of the inspection vis-à-vis the response of the Noticee, a final inspection report (hereinafter referred to as “IR” was prepared wherein, interalia, violations of the following provisions of SEBI (Research Analysts) Regulations, 2014 (hereinafter referred to as “**RA Regulations/ SEBI RA Regulations**”), SEBI (Intermediaries) Regulations, 2008 (hereinafter referred to as “**Intermediaries Regulations/ SEBI Intermediaries Regulations**”) and applicable SEBI Circulars which are tabulated below :-



| <b>Sr. No.</b> | <b>Alleged Violations by Noticee</b>                   | <b>Regulatory Provisions</b>                                                                                                                                                                                                                                      |
|----------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1              | Fees & Charges during the inspection period            | Clause 1.9 and Clause 12 (iv) of Annexure B of SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/95 dated 27th June 2025 (hereinafter referred to as "SEBI RA Master Circular dated June 27, 2025") r/w 15A of RA Regulations                           |
| 2              | Limitations on Research Analyst or Research Entity     | Regulation 16 of RA Regulations                                                                                                                                                                                                                                   |
| 3              | Disclosures in Research Reports                        | Regulation 19 of RA Regulations                                                                                                                                                                                                                                   |
| 4              | Maintenance of Books of Accounts, Records, Policy etc. | Regulation 25 of RA Regulations                                                                                                                                                                                                                                   |
| 5              | Redressal of Investor Grievances                       | Clause 1.13 of KYC Requirements and maintenance of record of SEBI RA Master Circular dated June 27, 2025 r/w Regulation 25(1) of RA Regulations and Regulation 13(2) Intermediaries Regulations                                                                   |
| 6              | Client Onboarding Process                              | Clause 1.13 of KYC Requirements and maintenance of record of SEBI RA Master Circular Dated June 27, 2025 r/w Regulation 25(1) of SEBI RA Regulations and Clause 1.12(c) of SEBI RA Master circular dated June 27, 2025 r/w Regulation 24(6) of the RA Regulations |
| 7              | Designation as Principal Officer                       | Clause 14.6 of SEBI RA Master Circular dated June 27, 2025 r/w Regulation 24(2) r/w Clause 7 of the Code of Conduct under the Third Schedule of the R A Regulations                                                                                               |
| 8              | Code of Advertisement                                  | Regulation 24(2) and 25(2) of the SEBI RA Regulations, 2014 r/w Clause 11 (Advertisement code and usage of brand name/trade name) of SEBI RA Master Circular dated June 27, 2025.                                                                                 |

4. SEBI initiated adjudication proceedings against the Noticee under Section 15A(c) and 15EB of the SEBI Act, 1992, for the alleged violations of the relevant provisions stated above.

#### **B. APPOINTMENT OF ADJUDICATING OFFICER**

5. SEBI assigned the case to this office as Adjudicating Officer ("AO") vide order dated June 15, 2026, under Section 19 of SEBI Act, 1992 read with Section 15-I (1) of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter also referred as '**SEBI Rules**'), to inquire into and adjudge under Sections 15A(c) and 15EB of the SEBI Act, 1992 for alleged violations by the Noticee.



### C. SHOW CAUSE NOTICE, REPLY AND HEARING

6. A Show Cause Notice No. SEBI/EAD-3/MS/RG/DIS/20816/2026 dated August 10, 2026 (hereinafter referred to as “SCN”) was issued to the Noticee to show cause as to why an inquiry should not be held and why penalty not be imposed under Sections 15A(c) and 15EB of the SEBI Act, 1992 against the Noticee.
7. The SCN dated August 10, 2026 alleged the following non compliances:

#### **Violation 1 – Fees and Charges during the Inspection Period**

- (i) **Incomplete client records:** During inspection, the Research Analyst (RA) provided incomplete client-summary records. PAN details were missing for 6,782 out of 7,909 clients, and in some cases PANs were incorrect or client names were unavailable. Consequently, SEBI could not verify whether any excess fees had been charged to clients.
- (ii) **Cash fee receipts:** SEBI also observed that fees had been received in cash from its clients.
- (iii) **Noticee’s response:** The RA stated that its operations were discontinued in March 2025 due to a change in business model. It claimed that complete client data, including PAN and client names, had originally been maintained and backed up on Google Drive linked to its official email/website. However, after discontinuation of the website, the data could not be retrieved, however data has been maintained from FY 2025–26 onwards.
- (iv) Regarding cash receipts, the RA denied directly collecting cash and stated that, in a few cases, clients themselves deposited cash directly into the bank account because they lacked online banking facilities. It contended that these were genuine service-fee receipts duly accounted for in its books.
- (v) *Therefore, it is alleged that the Noticee had violated Clause 1.9 of SEBI RA Master circular dated 27th June 2025 r/w Regulation 15A of RA Regulations and Clause 12(iv) of Annexure-B of SEBI RA Master circular dated 27th June 2025 r/w Regulation 15A of SEBI RA Regulations.*

#### **Violation 2: Limitations on Research Analyst or Research Entity**

- (i) **Trading during restricted period:** Research Analyst (RA) traded in securities that it had recommended or followed within 30 days before and 5 days after the recommendation.



- (ii) **Noticee's response:** The RA acknowledged that RA are required to refrain from trading in securities recommended to clients during the prescribed period. It submitted that there was no intention to obtain any undue benefit or advantage.
- (iii) RA stated that the trades involved only 100 shares, were of minimal quantity, and were not capable of influencing the market price or generating undue advantage. The RA assured that necessary precautions would be taken to ensure compliance in future.
- (iv) *It is alleged that the Noticee had violated Regulation 16 of SEBI RA Regulations.*

### **Violation 3: Disclosures in Research Reports**

- (i) Non-disclosure in research reports: SEBI observed that the Research Analyst (RA) failed to disclose material information like Disciplinary history and details of associates; and Ownership details in its research reports.
- (ii) **Noticee's response:** The RA acknowledged and accepted that certain research reports did not contain the required disclosures on ownership and material conflicts of interest due to oversight. It clarified that RA had not traded in the concerned securities or RA or its associates/ relatives had not held any financial interest or conflict of interest in the companies covered by the reports. It stated that other applicable disclosure requirements had been complied with and assured that corrective measures would be implemented to ensure proper disclosures in all future research reports.
- (iii) *It is alleged that the Noticee had violated Regulation 19 of RA Regulations.*

### **Violation 4: Maintenance of Books of Accounts, Records, Policy etc.**

- (i) Unsigned trade rationales: SEBI observed that the trade rationales maintained by the RA were not duly signed by the RA.
- (ii) Incomplete client records: Client data provided to SEBI was incomplete, with details such as PAN, client names and agreement start dates not available.
- (iii) **Noticee's response:** The RA acknowledged that trade rationales had been prepared and maintained but were not signed, Regarding client records for FY 2024–25, the RA stated that the data had been backed up on Google Drive linked to its official email/website, but became inaccessible after the website was discontinued following closure/change of business model. However all regulatory requirement has been retained from FY 2025–26 onwards.
- (iv) *Therefore it is alleged that notice has violated Regulation 25 of RA Regulations.*



### **Violation 5: Redressal of Investor Grievances**

- (i) SEBI observed that RA had not maintained a grievance/complaint register to record complaints received from clients.
- (ii) **Noticee's response:** The RA stated that being an individual RA, it did not maintain a separate physical grievance register. Grievances were received thru their official email ID, which was disclosed on the website with client having the option to contact the RA through the email/phone details provided on their website. Complaints received thru SEBI SCORES or the ODR platform were maintained on respective portals.
- (iii) *Therefore, it is alleged that noticee has violated Clause 1.13 of KYC Requirements and maintenance of record of SEBI RA Master Circular dated June 27, 2025 r/w Regulation 25(1) of RA Regulations and Regulation 13(2) Intermediaries Regulations*

### **Violation 6: Client Onboarding Process**

- (i) KRA/CKYC registration: SEBI observed that the RA had not registered with a KYC Registration Agency (KRA) and the Central KYC Registry (CKYC).
- (ii) MITC requirement: The RA had also not incorporated the Most Important Terms and Conditions (MITC) clause in client agreements or shared the MITC with clients who had registered prior to 17 February 2025.
- (iii) **Noticee's response:** The RA stated that its direct B2C operations were discontinued in March 2025 due to a change in business model, with services thereafter provided through aggregator platforms such as Stockgro, Stockants and Opigo. It stated that it was in the process of obtaining CVL KRA registration.
- (iv) Regarding MITC, it stated that the direct B2C operations were closed around the time the MITC circular came into effect in February 2025. However, from FY 2025–26 onwards MITC has been incorporated in all agreements
- (v) *It is alleged that the Noticee had violated Clause 1.13 of KYC Requirements and maintenance of record of SEBI RA Master Circular dated June 27, 2025 r/w Regulation 25(1) of SEBI RA Regulations and Clause 1.12(c) of SEBI RA Master Circular dated June 27, 2025 r/w Regulation 24(6) of the SEBI RA Regulations.*

### **Violation 7: Designation as Principal Officer**

- (i) The RA had not registered with the Financial Intelligence Unit (FIU). During the inspection, the RA initiated the process for Financial Intelligence Unit (FIU) enrolment, including registration of the Principal Officer.



- (ii) **Noticee's response:** The RA stated that it had subsequently completed FIU registration as a corrective measure.
- (iii) *The conduct was alleged to be in violation of Clause 14.6 of SEBI RA Master Circular dated June 27, 2025, read with Regulation 24(2) and Clause 7 of the Code of Conduct under the Third Schedule of the SEBI RA Regulations.*

**Violation 8: Code of Advertisement**

- (i) The RA had not complied with the applicable advertisement code and had not obtained prior approval from the Exchange before publishing advertisements. The RA had also failed to retain/maintain records of advertisements published.
- (ii) **Noticee's response:** The RA accepted that during FY 2024–25, prior Exchange approval was not obtained and advertisement records were not maintained which would be followed in all future advertisements. From FY 2025–26 onwards, advertisements were published through aggregator platforms, and the RA stated that records of such advertisements were duly maintained.
- (iii) *The notice is alleged to have violated Regulations 24(2) and 25(2) of the SEBI RA Regulations, read with Clause 11 (Advertisement Code and usage of brand name/trade name) of the SEBI RA Master Circular dated June 27, 2025.*

**8. Sequence of events in chronological order with respect to current proceedings:**

| Sr. No. | Date (DD-MM-YYYY) | Remarks                                                                                                                                                                                                                                              |
|---------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | 10-08-2026        | SCN issued against the Noticee and served by SPAD/email dated August 10, 2026                                                                                                                                                                        |
| 2       | 24-08-2026        | Noticee submitted the reply to the SCN                                                                                                                                                                                                               |
| 3       | 27-08-2026        | The Noticee was provided an opportunity of hearing on September 08, 2026 vide Hearing Notice dated August 27, 2026                                                                                                                                   |
| 4       | 08-09-2026        | Noticee appeared for hearing in-person and reiterated the submissions made vide letter dated August 24, 2026. Further the Noticee sought time till September 10, 2026 to make additional submissions as final and complete submissions in the matter |
| 5       | 10-09-2026        | Noticee made additional submissions                                                                                                                                                                                                                  |

**9. Summary of Noticee's reply dated August 24, 2026 and additional submissions dated September 10, 2026 are furnished below:**



### **Fees and Charges / Incomplete Client records,**

10. The noticee responded that 7,909 figure represented transaction entries and not unique clients, as some clients made multiple payments. Direct client services were provided until March 2025, after which the business shifted to aggregator platforms. FY 2024–25 client records were maintained on Google Drive but became inaccessible after the old website and business model were discontinued. Complete PAN-wise client records for FY 2025–26 were maintained and submitted to SEBI. Issue was one of retrieval/ accessibility of historical records and not of non-maintenance of client records.
11. Regarding cash deposits, noticee stated that Eight cash-deposit instances involving three clients were identified and that clients themselves deposited the amounts directly into its bank account and that it did not physically collect cash.
12. In its additional submission, the Noticee referred to a 2024 SCORES complaint, where it had uploaded the concerned client's KYC/User Consent and PAN details. It relied on this as contemporaneous evidence that PAN/KYC information had in fact been collected during the period of operations.

### **Restrictions on Trading**

13. the Noticee stated that only one personal trade involving 100 shares of Coal India Ltd. was identified. The shares were bought at ₹537.65 and sold at ₹491.50 per share. It submitted that there was no intention to obtain unfair advantage, influence the market or misuse confidential information.

### **Disclosures in Research Reports**

14. The Noticee accepted that certain disclosures were omitted inadvertently. It stated that neither it, its associates nor relatives had any financial interest or conflict of interest in the companies covered by the relevant reports. The omission was characterised as a procedural lapse rather than an attempt to mislead investors or conceal conflicts



### **Maintenance of Books, Records and Documentation**

15. The Noticee stated that controls had subsequently been implemented to ensure that trade rationales are duly signed. It reiterated that historical FY 2024–25 client records became inaccessible after discontinuation of the website/email which have been retained for FY 2025–26 and submitted. The 2024 SCORES response was additionally relied upon as evidence of contemporaneous collection of KYC/PAN information.

### **Grievance/Complaint Register**

16. The Noticee submitted that an appropriate grievance-redressal mechanism was available to clients. Historical communication records could not subsequently be produced due to discontinuation of the website and associated email. It pointed out that the SCN did not identify any specific unresolved investor grievance. It argued that absence of a separate grievance register should not be treated as absence of a grievance-redressal mechanism.

### **Client Onboarding/ KRA-CKYC and MITC**

17. The Noticee submitted that the KRA/CKYC requirement came into effect on June 27, 2025, whereas its direct B2C operations had already ceased in March 2025. It nevertheless subsequently completed CVL KRA registration.

18. Regarding MITC, it stated that direct B2C operations ended in March 2025, shortly after the MITC requirement came into effect in February 2025. It stated that from FY 2025–26 onwards, MITC has been incorporated in applicable client agreements. In its September 10, 2026 additional submission, the Noticee provided sample client agreements from before and after implementation of the MITC provisions.

### **Principal Officer**

19. The Noticee requested consideration of the corrective action taken and the absence of any allegation regarding suspicious transactions while adjudicating the matter.



### Advertisement Code

20. The Noticee acknowledged that BSE approval was not obtained for certain advertisements during the relevant period. It subsequently introduced controls to ensure that advertisements requiring approval are submitted to BSE for prior approval. From FY 2025–26 onwards, advertisements were largely published through aggregator platforms, which maintained the relevant records.

### Mitigating Factors Put Forward

21. The Noticee submitted that there was no finding of fraud or manipulation. No investor loss was quantified in the SCN. Several deficiencies had already been rectified and there was no continuing pattern of intentional non-compliance. The compliance framework had been strengthened to prevent recurrence.

## D. CONSIDERATION OF ISSUES AND FINDINGS

22. The issues that arise for consideration in the instant case are:

**Issue No. I:** Whether Noticee had violated the provisions of SEBI RA Regulations, SEBI Intermediaries Regulations and circulars issued by SEBI?

**Issue No. II:** Do the violations, if any, on part of Noticee attract monetary penalty under Sections 15A(c) and 15EB of the SEBI Act, 1992?

**Issue No. III:** If yes, then what should be the monetary penalty that can be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act?

23. Before proceeding further, it is pertinent to refer to the relevant provisions of SEBI RA Regulations, SEBI Intermediaries Regulations and circulars issued by SEBI, as under:

#### **Securities and Exchange Board of India (Research Analysts) Regulations, 2014**

“ ...

##### **Fees.**

*15A. Research Analyst shall be entitled to charge fees for providing research services from a client including an accredited investor in the manner as specified by the Board.*

##### **Limitations on trading by research analysts.**



16. (1) Personal trading activities of the individuals employed as research analyst by research entity shall be monitored, recorded and wherever necessary, shall be subject to a formal approval process.

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

(3) Independent research analysts, part-time research analysts, individuals employed as research analysts by research entity or their associates shall not deal or trade directly or indirectly in securities that he reviews in a manner contrary to his given recommendation.

(4) Independent research analysts, part-time research analysts, individuals employed as research analysts by research entity or their associate shall not purchase or receive securities of the issuer before the issuer's initial public offering, if the issuer is principally engaged in the same types of business as companies that the research analyst follows or recommends.

(5) Provisions of sub-regulations (2) to (4) shall apply mutatis mutandis to a research entity unless it has segregated its research activities from all other activities and maintained an arms-length relationship between such activities.

(6) Notwithstanding anything contained in sub-regulations (2) to (4), such restrictions to trade or deal in securities may not apply in case of significant news or event concerning the subject company or based upon an unanticipated significant change in the personal financial circumstances of the research analyst, subject to prior written approval as per the terms specified in the approved internal policies and procedures.

...

**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.

(vii) A research analyst or research entity shall disclose to the client the extent of use of Artificial Intelligence tools in providing research services

...

**General responsibility.**

...

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

...

(6) A research analyst or research entity shall disclose to the client the terms and conditions as may be specified by the Board and take consent of the client on such terms and conditions in such manner as may be specified by the Board.

...

**Maintenance of records.**

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

(i) research report duly signed and dated;

(ii) research recommendation provided;

(iii) rationale for arriving at research recommendation;

(iv) record of public appearance.

(v) Know Your Client records of the fee paying client;

(vi) a register or record containing list of the clients along with client's PAN, the date and nature of the research service, details of the products/securities for which research service was provided and fee/consideration, if any charged/received for such research service;

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

(viii) the terms and conditions of research services disclosed to the clients and the consent of the client thereon.



(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.

...

### THIRD SCHEDULE

#### CODE OF CONDUCT FOR RESEARCH ANALYST

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### 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/P/CIR/2025/95 dated 27th June 2025

“...

#### 1.9 Fees chargeable to clients by RAs:

Regulation 15A of RA Regulations provide that RA shall be entitled to charge fees for providing research services from client including an accredited investor in the manner as specified by SEBI. Accordingly, -

a. RAs may charge fees, subject to ceiling as may be specified by SEBI and shall ensure that fee charged to client is fair and reasonable.

b. RAs shall charge a maximum of ₹1,51,000 per annum per family in case of their clients who are individuals and Hindu Undivided Family(HUF). The fee limit shall be revised and announced by RAASB once in three years based on the Cost Inflation Index (CII) after due consultation with SEBI.

c. The fee limit does not include statutory charges.

d. The fee related provisions such as fee limit, modes of payment of fees, refund of fees, advance fee, breakage fees shall only be applicable in case of their individual and HUF clients (provided these clients are not accredited investors). These provisions shall not be applicable in case of non-individual clients, accredited investors, and in case of institutional investors seeking recommendation of proxy adviser.

e. In case of non-individual clients, accredited investors, and in case of institutional investors seeking recommendation of proxy adviser, fee related terms and conditions shall be governed through bilaterally negotiated contractual terms.

f. If agreed by the client, RA may charge fees in advance. However, such advance shall not exceed fees for a period of one year.

g. In the event of pre-mature termination of RA services in terms of the agreed terms and conditions, the client shall be refunded proportionate fees for unexpired period. RA shall not charge any breakage fee.

h. The terms and conditions to be disclosed by RA to the client shall also include fee limits, agreed fees for research services and guidance on the optional 'Centralised Fee Collection Mechanism for IA and RA' (CeFCoM).

i. For existing clients, RAs shall ensure compliance with aforesaid fee related provisions latest by June 30, 2025.

...

#### 1.12 Disclosure of terms and conditions to the client

...

c. The minimum mandatory terms and conditions to be disclosed by RA or research entity are provided in Annexure-B.

...



### **1.13 KYC Requirements and maintenance of record**

a. As provided under Regulation 25(1) of RA Regulations, RA or research entity shall follow the KYC procedure for their fee paying clients and maintain KYC records for their clients as specified by SEBI from time to time. Regulation 25 (1) of RA Regulations also provides that RA or research entity shall maintain the records with respect to its interaction with clients. In this regard, it is clarified that-

b. RA shall maintain records of interactions, with all clients including prospective clients (prior to onboarding), where any conversation related to its services has taken place inter alia, in the form of:

- (i) Physical record written & signed by client,
- (ii) Telephone recordings
- (iii) Email from registered email id,
- (iv) Record of SMS messages,
- (v) Any other legally verifiable record.

c. Such records shall begin with first interaction with the client and shall continue till the completion of research services to the client.

d. RA or research entity are required to maintain these records for a period of five years. However, in case where dispute has been raised, such records shall be kept till resolution of the dispute or if SEBI desires that specific records be preserved, then such records shall be kept till further intimation from SEBI.

e. RA/ research entity shall ensure the compliance with the requirements of maintenance of telephone recording latest by September 30, 2024. RA/research entity shall ensure the compliance with the other requirements under this clause latest by June 30, 2025.

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### **11. Advertisement code and usage of brand name/trade name**

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### **14. Guidelines on Outsourcing of Activities by Intermediaries**

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#### **14.6. Other Obligations:**

Reporting to Financial Intelligence Unit (FIU) - The intermediaries shall be responsible for reporting of any suspicious transactions / reports to FIU or any other competent authority in respect of activities carried out by the third parties.

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### **ANNEXURE-B**

#### **Disclosure of minimum mandatory terms and conditions to clients**

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12. Most Important Terms and Conditions (MITC): RA shall also disclose MITC as specified below to their clients. (MITC have been standardized by Industry Standards Forum (ISF) in consultation with SEBI and RAASB).

...

iv. Fees to RA may be paid by the client through any of the specified modes like cheque, online bank transfer, UPI, etc. Cash payment is not allowed. Optionally the client can make payments through Centralized Fee Collection Mechanism (CeFCoM) managed by BSE Limited (i.e. currently recognized RAASB).

..."

Note: for detailed/ complete text of the provisions, relevant Acts etc., may please be referred.

24. The issues raised in this matter are dealt in the following paragraphs.



Issue No. I: Whether Noticee had violated the provisions of SEBI RA Regulations, SEBI Intermediaries Regulations and circulars issued by SEBI?

**Violation 1: Fees and Charges during the inspection period**

25. It was alleged that at the time of inspection, the Noticee had provided incomplete Client Summary records (i.e., PAN not available, Wrong PAN, Name of Clients not available) to inspection team, hence verification of Excess fees charged to the clients could not be verified. PAN details were not available in respect of 6,782 clients out of a total of 7,909 clients.
26. As regards the allegation of not providing the PAN details of clients, the Noticee has contended that he had changed the business model in March 2025 and that following discontinuation of the old website and change in the business model, access to the historical data became unavailable. The Noticee also submitted that PAN-wise client records for FY 2025-26 were available, properly maintained and submitted to SEBI during the inspection.
27. He has further contended that the figure of 7909 clients represents total transaction entries and not unique number of clients, as certain clients made multiple payments.
28. It is noted that from the material on record that out of 7,909 transactions, only 18 transactions were dated after March 31, 2025. For 7,891 transactions for the year FY2024-25, the Noticee did not provide the PAN details for majority of clients and in instances where PAN details were available, for 19 clients the Noticee had charged fees in excess of Rs. 1,50,000/- per client for the year FY2024-25 as follows:

| PAN        | Sum of Total Amount exclusive GST |
|------------|-----------------------------------|
| AKAPB7014M | 229066                            |
| ANNPM5794R | 827119                            |
| AONPN1374H | 240044                            |
| APSMW4107I | 234806                            |
| AUUPK7046A | 629359                            |
| AXRPS1741E | 152119                            |
| AXXPS3191G | 209182                            |



|            |        |
|------------|--------|
| BTLPG7793P | 313858 |
| BUKPP5158F | 378136 |
| CASPJ 8024 | 484721 |
| CLTPM9000N | 505332 |
| CPVPK1071D | 206067 |
| DIFPM7560B | 238136 |
| DNDPS9724J | 276695 |
| DNHPB0462A | 588387 |
| DSVPK9614J | 173520 |
| EHPPS1707E | 317035 |
| FTRPM07324 | 277559 |
| HAJTR1405S | 414347 |

29. Clause 1.9 of SEBI RA Master circular dated June 27, 2025 is reproduced below

*“1.9 Fees chargeable to clients by RAs:*

*Regulation 15A of RA Regulations provide that RA shall be entitled to charge fees for providing research services from client including an accredited investor in the manner as specified by SEBI. Accordingly,*

*.....*

*b. RAs shall charge a maximum of ₹1,51,000 per annum per family in case of their clients who are individuals...”*

30. In this regard, SEBI observed that verification of excess fees charged to the clients could not be verified as the Noticee did not provide client's PAN details. Therefore, it is established that the Noticee had violated Clause 1.9 of SEBI RA Master Circular No 2025/95 dated June 27 June 2025 r/w Regulation 15A of SEBI RA Regulations.

#### **Regarding collecting fees in cash**

31. It was alleged that the Noticee had accepted fees in form of Cash from its clients. The Noticee had inter alia submitted that there were 8 instances relating to 3 clients where the respective clients themselves deposited the amounts directly into the Research Analyst bank account.

32. The current SEBI position as specified in Clause 12(iv) of Annexure-B of SEBI RA Master Circular dated 27th June 2025 “Fees to RA may be paid by the client through any of the specified modes like cheque, online bank transfer, UPI, etc.



Cash payment is not allowed.” It also permits payment through the Centralized Fee Collection Mechanism (CeFCoM) managed by BSE, the recognised RAASB

33. The fact that the clients themselves deposited cash directly into the Noticee's bank account may distinguish the case from physical collection of cash by the Noticee; however, it does not by itself establish compliance with the SEBI requirement that fees to an RA cannot be paid in cash. The relevant consideration is the mode of payment of the research fee.

34. Therefore, it is established that the Noticee has violated Clause 1.9 and Clause 12 (iv) of Annexure B of SEBI RA Master Circular dated June 27 June 2025 r/w Regulation 15A of SEBI RA Regulations.

### **Violation 2: Restrictions on Trading by Research Analyst**

35. It was alleged that the Noticee had traded in securities that the research analyst recommended or followed within thirty days before and five days after the recommendation contrary to its own recommendations.

36. The Noticee has submitted that his personal trading account reflected only 1 transaction involving 100 shares of Coal India Ltd. The said shares were purchased at ₹537.65 per share and subsequently sold at ₹491.50 per share and that there was no intention to obtain any unfair or disproportionate advantage. However, this does not address the regulatory violation.

37. Regulation 16(2) of the SEBI (Research Analysts) Regulations, 2014 mandates a specific restriction on trading by a Research Analyst in securities recommended or followed by him within 30 days before and five days after publication of the research report.

38. Accordingly, the relevant issue is not the volume of the trade or whether the trade was capable of influencing the market, but whether the trade fell within the prohibited period and concerned a security that the Noticee recommended or followed.



39. The regulatory restriction is therefore linked to the timing and nature of the security traded and is not dependent upon the volume of the transaction, the quantum of profit/loss, or an intention to influence the market.

40. Thus the noticee's submissions are in the nature of admission. Therefore, it is established that the Noticee had violated Regulation 16 of SEBI (Research Analyst) Regulations, 2014.

### **Violation 3: Disclosures in Research Reports**

41. It was alleged that the Noticee did not disclose material information like disciplinary history, details of associates and information related to ownership and material conflicts of interest in its Research Report.

42. The Noticee has submitted that omission of certain disclosures occurred inadvertently and was not intended to conceal any material interest or conflict from investors.

43. It is noted that Regulation 19 of RA Regulations casts a specific obligation on an RA to disclose material information inter alia information relating to its business activity, disciplinary history, the terms and conditions on which it offers research report, details of associates etc. in its research report. It is noted that no such disclosures as mandated under Regulation 19 of RA Regulations, were provided by the Noticee in its research report.

44. The regulatory requirement is intended to enable investors to make an informed assessment of the Research Analyst and the circumstances in which the research report has been prepared.

45. Therefore, it is established that the Noticee had violated Regulation 19 of SEBI RA Regulations.

### **Violation 4: Maintenance of Books of Accounts, Records, Policy etc.**

46. It was alleged that the trade rationales were not signed by the Noticee and that the client data shared was incomplete, i.e., PAN, Name of Clients, start date of Agreement etc. were not available.



### **Regarding trade rationale**

47. The Noticee has submitted that the deficiency was limited to signing requirement while the rationales themselves had been prepared and maintained. It is noted that Regulation 25 of RA Regulations does not specifically mandate signing the trade rationales.
48. As per Regulation 25(1) Research Analyst shall maintain the following records of the research report duly signed and dated, research recommendation provided, rationale for arriving at a research recommendation etc.
49. The provision does not expressly mention signing of the trade rationale. However, there should be a proper record prepared and maintained, which can help track down the details of person with the reference of specific period when he arrived at the rationale. Therefore, one cannot agree with the stand of the RA in this respect.

### **Regarding maintenance of PAN of clients**

50. The Noticee has submitted that client records for FY 2024-25 had been maintained on Google Drive linked with the official email account integrated with the website. However, following discontinuation of the old website and change in the business model, access to the historical data became unavailable. It is noted that as per Regulation 25 of RA Regulations, the research analyst should maintain the records inter alia relating to list of the clients along with client's PAN etc. As brought out under violation 1, PAN details were not available in respect of 6,782 clients out of a total of 7,909 clients.
51. Regulation 25 of the RA Regulations mandates comprehensive record keeping for all registered RAs i.e retention of records for 5 years inter alia relating to list of the clients along with client's PAN etc. The subsequent inaccessibility of the historical data, consequent upon discontinuation of the website or change in business model, does not by itself absolve the Noticee of its obligation to preserve and produce the prescribed records.
52. Therefore, it is established that the Noticee had violated Regulation 25 of RA Regulations



### **Violation 5: Redressal of investor grievances**

53. It was alleged that the Noticee had not maintained grievance/complaint register to record the complaints received from clients.
54. The Noticee submitted that an appropriate grievance-redressal mechanism was available to its clients and that the SCN did not identify any specific investor grievance that remained unresolved. The difficulty in producing certain historical communication records arose due to the subsequent discontinuation of its website and associated official email account.
55. It is noted that Regulation 13(2) of SEBI (Intermediaries) Regulations, 2008 states that an intermediary shall maintain records regarding investor grievances received by it and redressal of such grievances. Further, Clause 1.13 of SEBI RA Master Circular dated June 27, 2025 and Regulation 25 of RA Regulations inter alia require Research Analyst to maintain records of interactions with clients. However, admittedly, the Noticee had not maintained the grievance/complaint register to record the complaints received from clients.
56. The subsequent discontinuation of the website or email account does not absolve the Noticee of its obligation to preserve records relating to complaints and client interactions for the prescribed period.
57. Therefore, it is established that the Noticee had violated Clause 1.13 of KYC Requirements and maintenance of record of SEBI RA Master Circular dated June 27, 2025 r/w Regulation 25(1) of RA Regulations and Regulation 13(2) of SEBI (Intermediaries) Regulations, 2008.

### **Violation 6: Client on-boarding process**

58. It was alleged that the Noticee had not registered under Know Your Client Registration Agency (KRA) and Central Know Your Customer Registry (**CKYC**). It was also alleged that the Noticee had not incorporated MITC (Most Important Terms and Conditions) clause in client's agreement nor shared the MITC with the clients who were registered prior to February 17, 2025 as required under the applicable regulatory framework.



### **KYC / CKYC**

59. The Noticee has contended that the KRA/CKYC requirement referred to in the violation came into effect on June 27, 2025, whereas its direct B2C research services had already been discontinued in March 2025. Therefore, he has submitted that there was no ongoing direct client onboarding by the RA in that period when the requirement became applicable.

60. It is noted that Regulation 25(1)(v) of RA Regulations requires that RA shall maintain Know Your Client records of the fee paying client with effect from December 16, 2024. It is also noted that SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2025/004 dated January 08, 2025 specifies that research analyst shall collect, store, upload and check KYC records of the clients with KYC Registration Agency (KRA). In this regard, it was observed that the Noticee had not registered under Know Your Client Registration Agency (KRA) and Central Know Your Customer Registry (CKYC). Admittedly, the Noticee has neither disputed nor denied the SEBI's observation during the inspection period

61. It is also noted from the material available on record, as brought out under violation 1 that the Noticee had accepted fees from clients for 18 transactions dated after March 31, 2025. Further, cessation of direct B2C operations in 2025 does not, by itself, establish that the Noticee was exempted from compliance with law. The Noticee would be required to demonstrate that, on the relevant effective date, it was not undertaking activities to which the KRA/CKYC requirement applied. Therefore, it is established that the Noticee had violated Clause 1.13 of KYC Requirements and maintenance of record of SEBI RA Master Circular dated June 27, 2025 r/w Regulation 25(1) of SEBI RA Regulations.

### **MITC (Most Important Terms and Conditions)**

62. With regard to the MITC requirement, the Noticee has contended regarding cessation of B2C operations in March 2025 around the time the MITC circular came into effect in February 2025.

63. As regards the allegation that the Noticee had not incorporated MITC Clause in clients' agreement nor shared the MITC with clients who were registered prior to



February 17, 2025, the Noticee has submitted that from FY 2025-26 onwards, MITC clause has been incorporated in all applicable client agreements and the same is being followed as part of the client onboarding process.

64. SEBI Circular ref. no. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/20 dated February 17, 2025 has incorporated the MITC, as standardized by the Industry Standards Forum for RA as per Annexure A which specifies that :

*“For existing clients, the MITC shall be informed by the RAs to their clients via email or any other suitable mode of communication (which can be preserved) by June 30, 2025”*

65. It is noted from the material available on record, as brought out under violation 1 that the Noticee had accepted fees from clients for 18 transactions dated after March 31, 2025. Noticee submissions are in the nature of admission and the post-inspection compliances by the Noticee can at best be considered as a mitigating factor. Therefore, it is established that the Noticee had violated Clause 1.12(c) of SEBI RA Master circular dated June 27, 2025 r/w Regulation 24(6) of the SEBI RA Regulations.

#### **Violation 7: Designation as “Principal Officer”**

66. It was alleged that the Noticee had not registered under Financial Intelligence Unit (FIU). However, during Inspection, the observation was raised, and Entity has initiated the process of enrolment under Financial Intelligence Unit (FIU) for registering Principal Officer.

67. Clause 14.6 under SEBI RA Master Circular dated June 27, 2025 inter alia states that the intermediaries shall be responsible for reporting of any suspicious transactions / reports to FIU. However, SEBI observed during inspection that Noticee had not registered under Financial Intelligence Unit (FIU). The Noticee's compliance post-inspection can at best be considered as a mitigating factor.

68. In view of the above, the failure to obtain the requisite FIU-IND registration/enrolment during the relevant period is established.



69. Therefore, the Noticee has violated Clause 14.6 under SEBI RA Master Circular dated June 27, 2025 r/w Regulation 24(2) r/w Clause 7 of the Code of Conduct under the Third Schedule of the SEBI RA Regulations.

**Violation 8: Code of advertisement**

70. It was alleged that the Noticee had not followed code of advertisement nor taken approval from Exchange prior to publishing advertisements and had not retained or maintained records of advertisement which was published.

71. In this regard, the Noticee has submitted that subsequent to the observation, appropriate controls have been implemented so that advertisements, wherever applicable, are subjected to the BSE approval. The Noticee has also submitted that from FY 2025-26 onwards, advertisements after taking prior approval of BSE were largely published through aggregator platforms, and the relevant records are being maintained.

72. It is noted that Clause 11 of SEBI RA Master Circular dated June 27, 2025 inter alia specifies that prior approval for the advertisement shall be obtained from SEBI recognized supervisory body, if any, before issue and that copy of the advertisement shall be retained by RA for a period of five years in terms of Regulation 25 (2) of SEBI RA Regulations. However, SEBI observed during inspection that Noticee had not followed code of advertisement nor taken approval from Exchange prior to publishing advertisements, and had not retained or maintained records of advertisement which was published. It is noted that the post-inspection compliance can at best be considered as a mitigating factor.

73. Therefore, the Noticee' submissions are in nature of admission and it is established that Noticee has violated Clause 14.6 under SEBI RA Master Circular dated June 27, 2025 r/w Regulation 24(2) r/w Clause 7 of the Code of Conduct under the Third Schedule of the SEBI RA Regulations during the relevant period of time.



**Issue No. II:** Do the violations, if any, on part of Noticee attract monetary penalty under Sections 15A(c) and 15EB of the SEBI Act, 1992?

74. Reliance is placed on the Judgement drawn to the judgment of Hon'ble Supreme Court of India in the matter of SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC) inter alia held that:

*"...In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established ...."*

75. Therefore, for the above violation, as brought out in the foregoing paragraphs, I find that the Noticee is liable for monetary penalty under Sections 15A(c) and 15EB of the SEBI Act which provides as following:

Securities and Exchange Board of India Act, 1992

"...

***Penalty for failure to furnish information, return, etc.***

15A. If any person, who is required under this Act or any rules or regulations made thereunder,—

...

*(c) to maintain books of account or records, fails to maintain the same, he shall be liable to a 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*

"...

***Penalty for default in case of investment adviser and research analyst.***

15EB. 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.

"..."

**Issue No. III:** If yes, what should be the monetary penalty that can be imposed on the Noticees taking into consideration the factors mentioned in Section 15J of the SEBI Act, 1992?

76. While determining the quantum of penalty under Section 15A(c) & 15EB of the SEBI Act, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, which reads as under: -

Securities and Exchange Board of India Act, 1992

"...

***Factors to be taken into account while adjudging quantum of penalty.***



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

- a. the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
- b. the amount of loss caused to an investor or group of investors as a result of the default;
- c. the repetitive nature of the default.

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

...

77. In the instant matter, it is noted that the material on record does not indicate the amount of disproportionate gain or unfair advantage made by the Noticee, and the amount of loss caused to an investor or group of investors as a result of the aforesaid violations of Noticee, nor does it specifically indicate that the violations committed by the Noticee were repetitive in nature. I also note that subsequent to the inspection, the Noticee has complied with certain observations of inspection team and the same is being considered as mitigating factors while deciding on the amount of penalty to be levied on the Noticee.

#### **E. ORDER**

78. Considering the facts and circumstances of the instant case, the material available on record, the factors mentioned in preceding paragraphs and in exercise of the powers conferred under section 15-I of the SEBI Act, 1992 read with Rule 5 of the Adjudication Rules, penalty of Rs. 4,00,000/- (Rupees Four Lakh Only) is being imposed upon the Noticee for the violations committed by him as follows:-

| Name of Noticee                                                                        | Penalty under                    | Penalty Amount                           |
|----------------------------------------------------------------------------------------|----------------------------------|------------------------------------------|
| Vineet Ashwinikumar Chawla<br>(PAN: AYRPC6869L)<br>(Registration No.:<br>INH000008190) | Section 15A(c) of SEBI Act, 1992 | Rs. 2,00,000/-<br>(Rupees Two Lakh Only) |
|                                                                                        | Section 15EB of SEBI Act, 1992   | Rs. 2,00,000/-<br>(Rupees Two Lakh Only) |

79. The said penalty will be commensurate with the violation committed on the part of the Noticees.



80. The Noticees shall remit /pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in) on the following path, by clicking on the payment link:

**ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW**

81. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

82. Copy of this Adjudication Order is being sent to the Noticees and also to SEBI in terms of Rule 6 of the Adjudication Rules.

**DATE: October 09, 2026**  
**PLACE: MUMBAI**

Medha  
Jeevan  
Sonparote

Digitally signed by  
Medha Jeevan  
Sonparote  
Date: 2026.10.09  
16:24:45 +05'30'

**MEDHA SONPAROTE**  
**ADJUDICATING OFFICER**