



[QJA/BS/CFD/CFD-SEC-1/32328/2025-26]

**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
Basan Financial Services Limited	INM000011989	AAECB3249H

In the matter of Basan Financial Services Limited

A. BACKGROUND

1. The present matter emanates from the post enquiry show cause notice dated December 04, 2025 (hereinafter referred to as the “**SCN**”) issued to **Basan Financial Services Limited** (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 Merchant Banker (“**MB**”) with SEBI registration no. INM000011989.
2. SEBI conducted an inspection of the Noticee on September 08, 2023 at its registered office in Hyderabad concerning various compliance requirements that need to be ensured by the Noticee under the provisions of SEBI (Merchant Bankers) Regulations, 1992 (hereinafter referred to as “**MB Regulations**”) and SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “**PIT Regulations**”). The inspection was conducted for the period beginning April 01, 2022 to June 30, 2023 (hereinafter referred to as “**Inspection period/IP**”).



3. SEBI's inspection, *inter alia*, observed that the Noticee had violated various provisions of MB Regulations and PIT Regulations. These findings/ observations of the inspection were communicated to the Noticee by SEBI vide letter dated November 29, 2023 and the Noticee submitted its response to the observations vide letter dated December 18, 2023.

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 Regulation against the Noticee.
5. The Designated Authority ("**DA**") issued a show cause notice dated February 26, 2024 (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 April 10, 2024. On receipt of said reply, an opportunity of personal hearing was granted to the Noticee on April 23, 2024 which was availed by the Noticee through its authorized representatives. Thereafter, based on the allegations levelled against the Noticee in the pre-Enquiry SCN, replies filed by the Noticee, submission 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 May 17, 2024 in terms of regulation 26 of the Intermediaries Regulations.
7. The DA in its report has observed the following violations by the Noticee in the table given below:



Table-1

Sl. No.	Violations	Regulatory provisions allegedly violated
1.	Failed to have a dedicated email-ID for redressal of complaints	SEBI Circular dated January 22, 2007.
2.	Failed to submit any Half Yearly Report during the inspection period	SEBI Circulars dated May 06, 2008, and May 14, 2012 read with Regulation 28(2) of MB Regulations.
3.	Failed to ensure that its Key Managerial Personnel and Compliance Officer have necessary NISM Certifications.	SEBI Notifications dated August 02, 2013 and March 11, 2013 read with Regulation 3 of the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007.
4.	Failed to display necessary information at its office premises.	SEBI Circular dated August 28, 2014.
5.	Failed to formulate the Internal Code of Conduct.	Clause 26 of Schedule III read with Regulation 13 of the MB Regulations.
6.	Failed to maintain the structured digital database as mandated under PIT Regulations.	Regulations 3 (5) and 3 (6) and Schedule C (Minimum Standards for Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons) of the PIT Regulations.



7.	Failed to publish the requisite Investor Charter on its website.	SEBI Circular dated November 23, 2021.
8.	Failed to maintain the requisite minimum net worth.	Regulation 7 of the MB Regulations.
9.	Made delayed fee payment for the block 2017-2020 and has not paid the fees since July, 2020.	Regulation 12 read with Schedule II of the MB Regulations.
10.	Failed to intimate the requisite changes in their address through SI portal.	Regulation 9A (1)(f) of the MB Regulations and SEBI Circular dated May 02, 2017.

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

“In view of the above and in view of the overall facts and circumstances of the case and based on the material available on record, I, in terms of the provisions of the Intermediaries Regulations recommend that the certificate of registration of Noticee, SEBI Registration No. INM000011989, be cancelled in terms of Regulation 26(1)(ii) of the Intermediaries Regulations.”

C. SHOW CAUSE NOTICE, REPLY AND HEARING

9. Pursuant to the submission of the Enquiry Report, SCN dated December 04, 2025 in the matter was issued to the Noticee. Vide the above-mentioned SCN, 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 SCN also contained the Enquiry Report dated May 17, 2024 submitted by the DA. 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 dated January 12, 2026. Subsequently, the Noticee was granted an opportunity of personal hearing on February 03, 2026. The Noticee *vide* email dated January 29, 2026 intimated that it does not wish to avail the opportunity of a personal hearing and requested to proceed with the matter based on the information, explanations and documents already submitted by it earlier.

11. The submissions made by the Noticee *vide* its letter dated January 12, 2026 are summarised below:

11.1. The Noticee submitted that it has not undertaken any merchant banking activity since the year 2014 due to absence of assignments, commercial non-viability, and lack of intent and resources to continue operations.

11.2. The Noticee submitted that it had applied for voluntary surrender of its Merchant Banker registration in January 2020 and thereafter had made repeated efforts to surrender the registrations, including issuance of public notices and submission of undertakings, with an intention to permanently discontinue its merchant banking activities. It stated that it had not solicited clients or represented itself as an active merchant banker since then. It submitted that many of the alleged non-compliances were a result of its cessation of operations.

11.3. The Noticee also stated that despite its repeated communication expressing its inability to continue as a Merchant Banker, its surrender application was not processed by SEBI, which has resulted in it being wrongly treated as a continuing intermediary and being subjected to ongoing compliance obligations.

11.4. The Noticee has further submitted that the surrender application was not processed and no formal closure was granted despite there being no client/investor prejudice and after it had undertaken and confirmed to co-operate with SEBI.



11.5. The Noticee has stated that the present proceedings are procedural in nature enforcement of compliance requirements on a non-operational intermediary, which has persistently sought to surrender its registration, defeats the purpose of regulatory oversight and does not advance investor protection.

11.6. The Noticee has also stated that rigid application of compliance norms, designed for active intermediaries, should not be enforced in the present facts and circumstances and has argued that SEBI shall re-examine the surrender framework to reinforce regulatory fairness.

11.7. The Noticee has submitted that the proposed action of cancellation of its certificate of registration would result in the same outcome which it was consistently seeking through surrender of its application. The Noticee has requested SEBI to take a lenient and proportionate view and bring an end to the issue by allowing it to formally exit from the regulatory framework.

D. CONSIDERATION OF ISSUES AND FINDINGS

12. I have perused the Enquiry Report, SCN, replies of the Noticee and other materials available on record. After considering the allegations levelled against the Noticee in the instant matter, it is required to ascertain whether the Noticee has violated the regulatory provisions as mentioned in the Enquiry Report

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:

SEBI (Merchant Bankers) Regulations, 1992

7. Capital adequacy requirement.

The capital adequacy requirement referred to in clause (d) of regulation 6 shall be a net worth of not less than five crore rupees.

Explanation: For the purposes of this regulation, "net worth" means the sum of paid-up capital and free reserves of the applicant at the time of making application under sub-regulation (1) of regulation 3.



...

9A. Condition of registration.

(1) Registration granted under regulation shall be subject to the following conditions, namely:

...

(f) it shall immediately intimate the Board, details of changes that have taken place in the information that was submitted, while seeking registration.

...

12. Payment of fees and the consequences of failure to pay fee.

(1) Every applicant eligible for grant of a certificate shall pay such fees in such manner and within the period specified in Schedule II.

(2) Where a merchant banker fails to pay the annual fees as provided in sub-regulation (1), read with Schedule II, the Board may suspend the registration certificate, whereupon the merchant banker shall cease to carry on any activity as a merchant banker for the period during which the suspension subsists.

13. Code of Conduct.

Every merchant banker shall abide by the Code of Conduct as specified in Schedule III.

28. Disclosures to the Board.

...

(2) The merchant banker shall submit a periodic report in such manner as may be specified by the Board from time to time

..."

SEBI (Certification Of Associated Persons In The Securities Markets) Regulations, 2007

3. Obligation to obtain certificate

(1) The Board may by notification in the Official Gazette require such categories of associated persons to obtain requisite certificate for engagement or employment with such classes of intermediaries and from such date as may be specified in the notification



Provided that an associated person employed or engaged by an intermediary prior to the date specified by the Board may continue to be employed or engaged by the intermediary if he obtains the certificate within two years from the said date.

(2) An associated person on being employed or engaged by an intermediary on or after the date specified by the Board shall obtain the certificate within one year from the date of being employed or engaged by the intermediary.

(3) An associated person who, as on the date specified by the Board, holds a certificate for a category as recognized by the Board shall not be required to obtain a fresh certificate for the same category during the validity of such certificate.

(4) The Board for the purpose of issuing notification under sub regulations (1) and (2) shall take into consideration:

- (a) whether the associated person as part of his work or operation deals or interacts with the investors, issuers or clients of intermediaries;*
- (b) whether the associated person deals with assets or funds of investor or clients;*
- (c) whether the associated person handles redressal of investor grievances;*
- (d) whether the associated person is responsible for internal control or risk management;*
- (e) whether the associated person is responsible for compliance of any rules or regulations;*
- (f) whether the associated person is engaged in activities that have a bearing on operational risk of the intermediary.”*

SEBI (Prohibition of Insider Trading) Regulations, 2015

3. Communication or procurement of unpublished price sensitive information.

...

(5) The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with



adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

(6) The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.”

SEBI Circular No. MIRSD/DPS III/Cir-01/07 dated January 22, 2007 (SEBI Circular dated January 22, 2007)

https://www.sebi.gov.in/legal/circulars/jan-2007/exclusive-e-mail-id-for-redressel-of-investor-complaints_9431.html

SEBI Circular No. MIRSD/DPS-2/MB/Cir-16/2008 dated May 06, 2008 (SEBI Circular dated May 06, 2008)

https://www.sebi.gov.in/legal/circulars/may-2008/reporting-of-information-on-a-half-yearly-basis-merchant-bankers_6512.html

SEBI Circular No. CIR/MIRSD/6/2012 dated May 14, 2012 (SEBI Circular dated May 14, 2012)

https://www.sebi.gov.in/legal/circulars/may-2012/review-of-regulatory-compliance-and-periodic-reporting_22759.html

SEBI Circular No. CIR/MIRSD/3/2014 dated August 28, 2014 (SEBI Circular dated August 28, 2014)

https://www.sebi.gov.in/legal/circulars/aug-2014/information-regarding-grievance-redressal-mechanism_27882.html

SEBI Circular No. SEBI/HO/CFD/DCR2/P/CIR/2021/0661 dated November 23, 2021 (SEBI Circular dated November 23, 2021)

https://www.sebi.gov.in/legal/circulars/nov-2021/publishing-investor-charter-and-disclosure-of-complaints-by-merchant-bankers-on-their-websites_54147.html

SEBI Circular No. SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 02, 2017 (SEBI Circular dated May 02, 2017)

https://www.sebi.gov.in/legal/circulars/may-2017/online-registration-mechanism-for-securities-market-intermediaries_34793.html

14. Upon perusal of the response of the Noticee dated January 12, 2026, I note that the Noticee has not disputed the allegations made in the SCN dated December 04, 2025.



15. In response to the SCN, the Noticee has primarily made two submissions: regulatory compliance should not be enforced against it strictly because it had ceased its operation as a Merchant Banker since 2014 and; its voluntary license surrender application was not processed despite repeated requests and clear intention of not functioning as a Merchant Banker.

16. Regulation 8 of the MB Regulations clearly states that certificate of registration of a MB is valid until the same is suspended/cancelled by SEBI. I note that the Noticee holds a valid certificate of registration and still continues to be a registered Merchant Banker, as on date. The DA has noted that the Noticee had tried to surrender its Merchant Banking registration, on March 2020 and September 2023, but the surrender applications of the Noticee were rejected on both occasions. The Noticee has not refuted the said observation and has not brought on record any evidence to prove the contrary.

17. I also note that applications for surrender of registration submitted by the Noticee have been rejected and the same has been duly communicated to the Noticee. Further, SEBI vide an earlier order dated July 05, 2021 had *inter-alia* suspended the license of the Noticee for a period of 6 months because of violation of MB Regulations. Therefore, the Noticee was cognizant of the fact that regulatory provisions are fully applicable to it till the time it continues to be a registered MB. Since, the surrender of its certificate of registration was not accepted by SEBI, at this stage the Noticee cannot claim immunity from the regulatory provisions applicable to it.

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



I. **Failure to have a dedicated email address for redressal of complaints**

19. The SCN alleged that the Noticee did not have a dedicated email-ID for redressal of complaints during the inspection period and has violated SEBI Circular dated January 22, 2007.
20. SEBI Circular dated January 22, 2007 mandates all registered MBs to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints by investors for expediting the redressal of the complaints and enable investors to register their complaints through a single, centralized, exclusive e-mail ID.
21. The DA has noted that the Noticee lacked a dedicated email-ID for redressal of complaints during the inspection period. The Noticee has not disputed the said allegations. Therefore, I agree with DA's conclusion that the Noticee has violated SEBI Circular dated January 22, 2007.

II. **Failure to submit any Half Yearly Report during the inspection period**

22. The SCN alleged that the Noticee failed to submit any half yearly report during the inspection period and has violated SEBI Circular dated May 06, 2008 read with Regulation 28(2) of MB Regulations and SEBI Circular dated May 14, 2012 read with Regulation 28(2) of MB Regulations.
23. Regulation 28 (2) of MB Regulations requires MBs to submit a periodic report in the manner prescribed by SEBI. Further, SEBI Circular dated May 06, 2008 requires the MBs to submit half yearly reports in the prescribed format through electronic mode only and SEBI Circular dated May 14, 2012 mandates that the half yearly report within a period of three months from the expiry of the half year.
24. The DA noted that the Noticee failed to submit any half yearly report during the inspection period. The said allegation has not been disputed by the Noticee.



Therefore, I agree with the DA's conclusion that the Noticee has violated SEBI Circular dated May 06, 2008 read with Regulation 28(2) of MB Regulations and SEBI Circular dated May 14, 2012 read with Regulation 28(2) of MB Regulations.

III. Failure to ensure that its KMPs and Compliance Officer have necessary NISM Certifications

25. The SCN alleged that the KMPs and Compliance Officer of the Noticee did not have necessary NISM Certifications during the inspection period and has violated the provisions of SEBI Notifications dated August 02, 2013 and March 11, 2013 read with Regulation 3 of the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 (hereinafter referred to as "SEBI Certification Regulations").

26. As per the SEBI Certification Regulations 2007, the notification issued under the SEBI Certification Regulations 2007 read with MB regulations requires the KMPs and its Compliance Officer to obtain NISM-Series-IX: Merchant Banking Certification Examination within a specified period.

27. The Noticee, vide his reply dated December 18, 2023 which was submitted before the DA had admitted that the necessary NISM certifications were not obtained by the KMPs and the Compliance Officer of the Noticee. Therefore, I agree with the DA's conclusion that the Noticee has violated the provisions of SEBI Notifications dated August 02, 2013 and March 11, 2013 read with Regulation 3 of the SEBI Certification Regulations 2007.

IV. Failure to display necessary information at its office premises

28. The SCN alleged that the Noticee did not display necessary information viz. SCORES as the platform for raising grievances and free helpline numbers of SEBI at its premises. Therefore, it was alleged that the Noticee has violated SEBI Circular dated August 28, 2014.



29. SEBI Circular dated August 28, 2014 requires all intermediaries to prominently display in their offices basic information about the grievance redressal mechanism available to investors including information about SCORES platform and SEBI Toll Free Helpline numbers.
30. The DA has observed that necessary information regarding SCORES as the platform for raising grievances and free helpline numbers of SEBI was not displayed at the registered office of the Noticee. The Noticee has not disputed the said conclusions in the reply filed before me. Therefore, I agree with the DA's conclusion that the Noticee has violated the provisions of SEBI Circular dated August 28, 2014.

V. Failure to formulate the Internal Code of Conduct

31. The SCN alleged that the Noticee failed to formulate any Internal Code of Conduct during the inspection period and has violated Clause 26 of Schedule III read with Regulation 13 of the MB Regulations.
32. Regulation 13 of MB Regulations mandates every MB to abide by the Code of Conduct as specified in Schedule III. Further, clause 26 of schedule III of MB Regulations requires all MBs to develop its own internal code of conduct for governing its internal operations and laying down its standards of appropriate conduct for its employees and officers in carrying out their duties.
33. The DA has noted that Noticee failed to formulate any Internal Code of Conduct during the inspection period. The Noticee has not brought on record any evidence to prove the contrary. Therefore, I agree with the DA's conclusion that the Noticee has violated clause 26 of Schedule III read with Regulation 13 of the MB Regulations.



VI. Failure to maintain the structured digital database as mandated under the PIT Regulations

34. The SCN alleged that Noticee was not maintaining a structured digital database (SDD) as mandated under PIT Regulations and therefore was in violation of Regulations 3 (5) and 3 (6) and Schedule C of the PIT Regulations.

35. In terms of regulation 3 (5) of PIT Regulations, every MB is required to maintain a SDD containing the details of unpublished price sensitive information (UPSI) handled by them, the names of persons who have shared such UPSI and with whom such UPSI has been shared. Any UPSI once received has to be entered in the SDD not later than 2 calendar days from the receipt of such information. Further, the said SDD has to be preserved for a period of 8 years after completion of relevant transactions.

36. The DA has noted that the Noticee did not maintain a SDD in terms of PIT Regulations during the inspection period and the same has not been disputed by the Noticee. Therefore, I agree with the DA's conclusion that the Noticee has violated Regulations 3 (5) and 3 (6) and Schedule C of the PIT Regulations.

VII. Failure to publish the requisite Investor Charter on its website

37. The SCN alleged that the Noticee was in violation of SEBI Circular dated November 23, 2021 as it failed to publish the investor charter pertaining to MBs on its website.

38. As per SEBI Circular dated November 23, 2021, all the registered MBs are required to disclose on their website, Investor Charter for different categories viz. Initial Public Offers, Rights Issues, Qualified Institutional Placement etc.

39. The DA has noted that the website of Noticee did not contain the Investor Charter and the same has not been refuted by the Noticee. Therefore, I agree with the DA's



conclusion that the Noticee failed to comply with SEBI Circular dated November 23, 2021.

VIII. Failure to maintain the requisite minimum net-worth

40. The SCN alleged that the Noticee has failed to maintain the requisite minimum net worth since the Financial Year (FY) 2021-22 and therefore did not comply with Regulation 7 of the MB Regulations.

41. Regulation 7 of the MB Regulations requires MBs to maintain adequate net-worth during the tenure of their registrations. The Noticee had admitted during the inspection and before the DA that it had not maintained the minimum net-worth since the FY 2021-22. Therefore, I agree with the DA's conclusion that the Noticee has not complied with and is in violation of Regulation 7 of the MB Regulations.

IX. Failure to make timely fee payment for the block 2017-2020 and has not paid the fees since July, 2020

42. The SCN alleged that the Noticee has violated Regulation 12 read with Schedule II of the MB Regulations because it made delayed payment for the block of period 2017-2020 and has not paid the fees for the period July, 2020 onwards.

43. Regulation 12 of the MB Regulations clearly mandate payment of specified fees to SEBI. The Noticee has not disputed the allegations. The Noticee has made delayed payment for the block of period 2017-2020 and has not disputed the finding that it has not paid the fees for the period July, 2020 onwards Therefore, I agree with the DA's conclusion that the Noticee has violated Regulation 12 of the MB Regulations read with Schedule II of MB Regulations.



X. Failed to intimate the requisite changes in their address through SI portal

44. The SCN alleged that the Noticee has not intimated the change in its address through SI portal and therefore has violated Regulation 9A (1)(f) of the MB Regulations and SEBI Circular dated May 02, 2017.

45. Regulation (A (1) (f) requires the MBs to intimate SEBI regarding any change in information submitted while seeking registration within a period of 7 days. Further, SEBI Circular dated May 02, 2017 *inter-alia* mandated that all requests for change in address has to be processed through the SI portal.

46. The DA has noted that the address of the Noticee has changed since the time of its registration but the same was not intimated to SEBI through the SEBI Intermediary (SI) portal. The registered address of the Noticee was – “3-6-65, 2nd Floor, Beside Skyline Theatre, Basheerbagh, Andhra Pradesh, 500012”. However, it is noted that the registered address of the Noticee was changed on May 29, 2018 to “3-6-196/197, Unit No.204A, 2nd Floor, Prime Plaza, Himayat Nagar, Himayat Nagar, Hyderabad – 500 029 Telangana State.

47. The Noticee has not disputed this allegations and no evidence is available on record to prove the contrary. Therefore, I agree with the DA’s conclusion that the Noticee has violated Regulation 9A (1) (f) of the MB Regulations and SEBI Circular dated May 02, 2017.

E. CONCLUSION

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



- a. Failed to have a dedicated email-ID for redressal of complaints - Clauses SEBI Circular dated January 22, 2007.
- b. Failed to submit any Half Yearly Report during the inspection period- SEBI Circulars dated May 06, 2008 and May 14, 2012 read with Regulation 28(2) of MB Regulations.
- c. Failed to ensure that its Key Managerial Personnel and Compliance Officer have necessary NISM Certifications - SEBI Notifications dated August 02, 2013 and March 11, 2013 read with Regulation 3 of the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007.
- d. Failed to display necessary information at its office premises - SEBI Circular dated August 28, 2014.
- e. Failed to formulate the Internal Code of Conduct - Clause 26 of Schedule III read with Regulation 13 of the MB Regulations.
- f. Failed to maintain the structured digital database as mandated under PIT Regulations - Regulations 3 (5) and 3 (6) and Schedule C (Minimum Standards for Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons) of the PIT Regulations.
- g. Failed to publish the requisite Investor Charter on its website- SEBI Circular dated November 23, 2021.
- h. Failed to maintain the requisite minimum net worth- Regulation 7 of the MB Regulations.
- i. Made delayed fee payment for the block 2017-2020 and has not paid the fees since July, 2020- Made delayed fee payment for the block 2017-2020 and has not paid the fees since July, 2020.



- j. Failed to intimate the requisite changes in their address through SI portal- Regulation 9A (1) (f) of the MB Regulations and SEBI Circular dated May 02, 2017.

49. It is pertinent to note that that the Noticee being a MB has to ensure compliance with all applicable regulatory provisions. In the present case, the Noticee has failed to adhere to fundamental requirements under the MB Regulations such as maintaining minimum net-worth, payment of fees and obtaining necessary certifications. Further, the Noticee's certificate of registration was previously suspended for a period of six months vide SEBI order dated July 05, 2021.

50. I also note the submission of Noticee that it has not undertaken any Merchant Banking since the year 2014 and has repeatedly, in its reply dated January 12, 2026, expressed its desire to surrender its registration as a Merchant Banker.

51. Having regard to the facts and circumstances of the instant proceeding and particularly on account of the fundamental nature of the registration conditions which the Noticee has failed to comply with and also considering the fact that the Noticee has expressed its intent to exit the Merchant Banking business, I agree with the recommendation of the DA to cancel the certificate of registration of the Noticee.

F. ORDER

52. 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 granted to the Noticee i.e. Basan Financial Services Limited (SEBI Registration No: INM000011989).

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



54. A copy of this order shall be served upon the Noticee and all the Recognized Stock Exchanges to ensure necessary compliances.

Date: April 07, 2026

Sd/-

Place: Mumbai

BIJU S.

**QUASI JUDICIAL AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA**